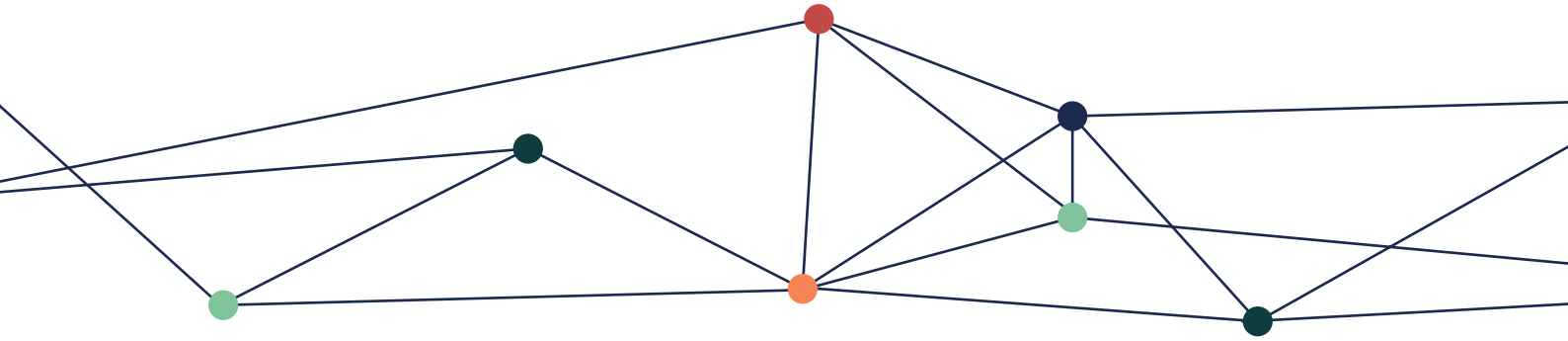
ANNUAL REPORT 2020

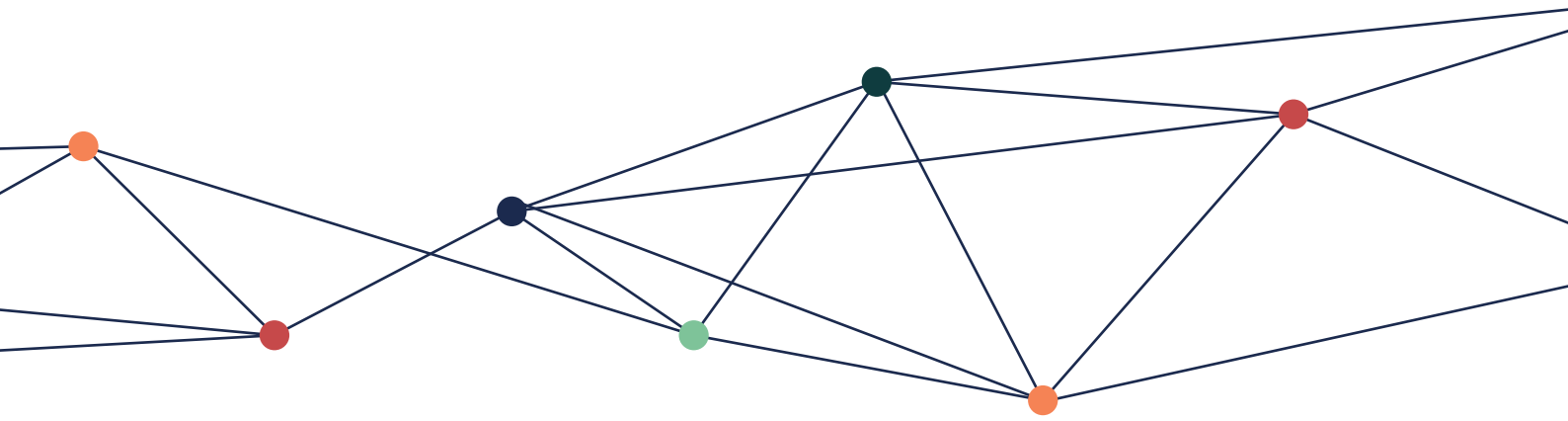
CORPORATE HIGHLIGHTS AND FINANCIAL INFORMATION

OXURION®

ADVANCING SCIENCE.®
ENHANCING VISION.

contents





GENERAL INFORMATION AND RESPONSIBILITY FOR THE ANNUAL REPORT AND FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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1.1 RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT

The Board of Directors of Oxurion (the "Board of Directors" or the "Board") is responsible for the contents of this document. The Board declares that, having taken reasonable care to ensure that such is the case, the information contained in this year's Annual Report is, to the best of its knowledge, in accordance with the facts and contains no omissions likely to affect it materially.

Thomas Clay, Chairman, and Patrik De Haes, Executive Director and Chief Executive Officer of Oxurion NV, declare on behalf of the Company that to their knowledge:

- The consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, give a true and fair view of Oxurion NV's and the companies within the Group's net worth, financial position and the results of operations.
- The Annual Report regarding the consolidated financial statements give a true and fair view of the development and results of the Group, as well as the main risks and uncertainties.

This Annual Report was approved by the Board of Directors on April 1, 2021.

1.2 RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

BDO Bedrijfsrevisoren, a company incorporated under Belgian law, having its registered office at Da Vincilaan 9, B-1930 Zaventem, represented by Gert Claes and a member of the "Instituut der Bedrijfsrevisoren (IBR)", has been appointed as the statutory auditor of Oxurion for a term of three years ending immediately after the closing of the annual shareholders' meeting to be held in 2022, which will have deliberated and resolved on the financial statements for the financial year ending on December 31, 2021.

1.3 AVAILABILITY OF THE ANNUAL REPORT

Oxurion published its Annual Report in Dutch. Oxurion has also produced an English translation of this Annual Report. In the event of differences of interpretation between the English and the Dutch versions of the Report, the original Dutch version has priority.

The Annual Report is available to the public on the Company's website (www.oxurion.com) and in hard copy free of charge in both languages by request to:

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1.4 FORWARD LOOKING INFORMATION

This Annual Report includes forward-looking statements, expectations and assessments regarding the expected future performance of Oxurion and the market in which it operates. Certain statements, expectations and assessments can be recognized using words such as, but not limited to, "believe", "anticipate", "expect", "intend", "plan", "strive", "estimate", "forecast", "project", "could", "will" and "continue" and comparable expressions. These relate to future matters that are not historical facts. Such statements, expectations and assessments are based on various assumptions, expectations and assessments of known and unknown risks, uncertainties and other factors that were deemed to be reasonable when they were made, but which may or may not prove to be correct. Actual events are difficult to predict and depend on factors outside the Company's control. Consequently, the actual results, financial condition and the results of the sector, may diverge substantially from any future results, performance or achievements expressed or implied by such statements, expectations and assessments. Factors that can cause such a divergence include, but are not limited to, the factors that are discussed in the Chapter "Risk Factors". Given these uncertainties, absolutely no statement is made nor reassurance given regarding the correctness or reasonableness of such forward-looking statements, expectations and assessments. Moreover, forward-looking statements, expectations and assessments apply only on the date of this Annual Report. The Company expressly disclaims any obligation to adapt any of the forward-looking statements, expectations and assessments in this Annual Report in order to reflect any change in the expectations and assessments of the Company or any change in the facts, conditions or circumstances on which such statements, expectations and assessments are based, except to the extent that this is required by Belgian law.

All statements and information relate to the period up to December 31, 2020, unless expressly stated otherwise.

Diabetes, a growing global health issue

The number of people with diabetes globally still grows exponentially. In 2019, **463 million adults** are already living with diabetes. By 2045, this is estimated to rise to **700 million**.

(source: https://idf.org/aboutdiabetes/what-is-diabetes/facts-figures.html)

MESSAGE FROM CEO AND CHAIRMAN OF THE BOARD

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Interview with Patrik De Haes, M.D., CEO of Oxurion, and Thomas Clay, Chairman of the Board of Directors

A year of making significant progress in building the DME franchise

This past year has been exceptional for Oxurion, as for many organizations worldwide. The COVID-19 pandemic accelerated the process to transition the Company into a fully virtual and digital environment, which came with challenges and opportunities to grow. Throughout this worldwide crisis, Oxurion was still able to make significant progress in advancing its diabetic macular edema (DME) franchise. The Company also strengthened its global management team with highly experienced people who will make significant contributions to Oxurion's future development.

"We are very proud that during this extraordinary year, we could still move forward in such a smooth way with our clinical studies," says Patrik De Haes, M.D., CEO of Oxurion. "The Phase 2 KALAHARI study evaluating THR-149 in DME is on track and recruiting patients as we speak, and with THR-687 we are planning to start a Phase 2 clinical study by mid-2021. We were able to work towards these goals and strive for operational excellence thanks to our team, who showed an exceptional spirit and flexibility to transition into a semi-virtual organization."

Thomas Clay, Chairman of the Board of Directors of Oxurion, confirms: "A biotechnology company is only as strong as its people. It was a major focus for the Company during 2020 to ensure that the very competent people we have, stay motivated and in touch with each other as part of a cohesive team."

Common goals

Oxurion's strong partnerships with clinical development centers, built over many years, were critical in executing the Company's programs. "We are very pleased by the enthusiasm of our partners to reach milestones together despite the complex COVID-19 environment. The retinal community now sees us as one of the most innovative, exciting partners to work with," says Thomas Clay.

"The retinal community sees us now as one of the most innovative, exciting partners to work with."

Thomas Clay, Chairman of the Board of Directors

"Gaining access to patients obviously became more challenging during the start of the pandemic, and clinical centers were even closed for a time," explains Patrik De Haes. "But notwithstanding these challenges our sites really take an active part in our endeavor to improve the lives of DME patients with novel therapies and felt it was the right time to initiate these studies and move forward."

"We really have a common goal with our clinical partners: to improve the lives of DME patients with novel therapies."

Patrik De Haes, M.D., CEO

Unique market position

With over 15 years of experience in investigating retinal vascular disorders and specifically diabetic retinopathy, Oxurion is well-positioned to demonstrate its intrinsic value in the near future. "Our internal expertise, especially in the clinical and preclinical team, and our track record of bringing a product all the way from preclinical through registration into the commercial market, is what makes our Company so unique among its peers," says Patrik De Haes.

"Our strategic focus on non-VEGF pathways puts us in a strong position in the market of diabetic eye diseases such as DME. Forty percent of all patients with DME don't respond well to anti-VEGF treatments, which is the current standard of care. Some of them don't respond at all. Our two differentiated and validated programs not only provide the possibility of addressing this unmet medical need, but we also believe that the franchise we are building holds potential to address the majority of the DME population, currently a >$4.5 billion market opportunity. Also, with the potential for additional indications such as wet AMD and RVO, we believe we will be able to reach many more patients representing a total market opportunity for vascular disorders of >$12.5 billion."

"Our strategic focus on non-VEGF pathways puts us in a strong position in the market of diabetic eye diseases, more specifically DME."

Patrik De Haes, M.D., CEO

"The upside to bringing new mechanisms of action to a disease that needs therapies other than anti-VEGF is very large," confirms Thomas Clay. "We have put diligent work into THR-149 and THR-687 for years. We've already demonstrated that both compounds are safe and well-tolerated, and now they are at the point where Phase 2 studies could potentially deliver evidence of greater efficacy from multiple dose administrations in their respective targeted DME patient populations. We hope to provide clinical evidence that DME patients will benefit from the molecules we are developing in the next months and years."

"Our two programs are at a stage where the rubber hits the road and we need to show that they are effective in patients."

Thomas Clay, Chairman of the Board of Directors of Oxurion

Two non-VEGF clinical programs on the brink of demonstrating value for patients

"Our emerging DME franchise is based on the successful development of both THR-149 and THR-687, two novel drug candidates with differentiated modes of action, with the potential to be first in class, designed for targeting specific complementary target patient groups", explains Patrik De Haes.

"We have made important progress in 2020 by starting a Phase 2 study called KALAHARI with THR-149, a plasma kallikrein inhibitor. This molecule is positioned as second-line therapy for DME patients who respond suboptimally or not at all to anti-VEGF, the current standard of care. With this clinical trial, which is a two-part statistically powered study recruiting over 120 patients, we have the potential to demonstrate positive results in best corrected visual acuity (BCVA) and a decrease of central subfield thickness (CST - the thickness of the retina in the back of the eye).

The results of the Phase 1 study with THR-149 already showed important improvements in the patients' BCVA. We are looking to confirm that in Phase 2. Part A, the dose-finding section of the Phase 2 study, is on track and we plan to deliver the results in the middle half of 2021. We are very excited as, beyond dose-finding, this Part A will also provide us with the first safety and efficacy data of multiple-dose injections of THR-149 in our targeted DME patients. We are looking to see a confirmation of the safety profile and a stacked efficacy signal to confirm clinical proof of concept. Part B will be a double-blinded, active-controlled part where we will compare THR-149 with and market leading anti-VEGF, aflibercept. Topline results of this Part B are expected in the first half of 2023."

"With our other drug candidate, THR-687, we are planning to start a Phase 2 clinical trial by mid-2021", continues Patrik De Haes. "This molecule, a pan-RGD integrin antagonist, has a broad mechanism of action and could potentially have a superior clinical benefit to the current standard of care for a wide range of patients with DME. Moreover, the pharmacological profile and preclinical validations of THR-687 have confirmed fast follow-on development potential in wet AMD and RVO. Altogether, THR-687 holds potential to address the total vascular disorder market currently estimated at >$12B."

We presented positive and very promising data from the Phase 1 clinical trial in 2020, with encouraging results in BCVA and CST."

"THR-149 and THR-687 are novel drug candidates with different modes of action designed for specific complementary target patient groups."

Patrik De Haes, M.D., CEO

The Company now has the potential to demonstrate that with both THR-149 and THR-687 it will be able to provide new, tailored therapeutic solutions that deliver improved clinical outcomes to most DME patients. "Both of these molecules, if successful, could be potential game changers.", confirms Thomas Clay.

Strengthening the senior management team

In order to consolidate its plans for the future, Oxurion put much effort into strengthening its management team over the course of 2020. Patrik De Haes: "It was a high priority for us to attract experienced profiles for senior management positions. Given that location isn't an issue anymore for our global and virtualized company, we could appoint the right people with very strong expertise in their areas. Our new Chief Financial Officer Tom Graney is based in Boston, the cradle and hotbed of biotechnology in the USA. Our Chief Medical Officer Grace Chang works in Los Angeles, close to clinical development centers. Newly appointed Chief Scientific Officer, Professor Alan Stitt, has his office in Belfast."

"The fact that we were able to hire these highly skilled people is a token of confidence in our Company," says Thomas Clay. "They were attracted by the intrinsic value of our clinical programs. With Grace Chang as our new CMO, we now have an experienced and practicing retina specialist who is often directly in contact with patients. Grace leads our medical team. She is effectively communicating about the science and potential of our products to patients who can participate in our studies, which is an important contribution to advancing our programs."

"Our new CFO Tom Graney brings a track record of building relationships with investors, so he will play a key role in generating more awareness of Oxurion's potential in the investor community, which is one of our key priorities for the coming year."

New pathways in preclinical research

"Professor Alan Stitt, our CSO, has been involved in our R&D program for several years and is intimately familiar with our existing programs", says Patrik De Haes. "Alan is an international expert in the field of disease hallmarks for vascular retinal disorders, including age-related macular disorders, wet and dry AMD, but also DME and RVO. Based on the pharmacological profile of THR-687 and the internal and external preclinical validation package, we already know that our THR-687 integrin program holds development potential for treatment of wet AMD and RVO, which our planning considers from 2022 onwards. Alan's expertise and leadership have already been instrumental in getting to this point. In parallel, our preclinical group under Alan's leadership is also actively validating novel pathways and compounds for treatment of dry AMD, a disease for which there currently is no treatment."

Thomas Clay confirms: "The preclinical team has been established, and Alan Stitt now can add even more value to the science. It speaks to the quality of our preclinical research, led for many years by our now retired CSO Jean Feyen, that we were able to attract a top academic in the field as our new CSO. We are very grateful for Jean's contributions: he has his fingerprints all over our current programs, which are key to the future of Oxurion."

Raising awareness

Following the global healthcare crisis, investing in healthcare and biotechnology has gained popularity overall. "One of our objectives for 2021 is raising awareness in the investor community about the intrinsic value of Oxurion and our clinical development programs", says Thomas Clay. "There are clinical datapoints coming up in the next year that will have the potential to generate enormous value. With our new CFO, we are strengthening our capabilities to gain the attention of more investors as we approach those events."

"We are all eager to participate in live conferences and once again speak with investors face-to-face", says Patrik De Haes. "At the same time, we learned to be more efficient and can reach more followers than before by meeting virtually."

Part of the community

"As a part of our mission to prevent vision loss worldwide, we reach out to the global community to increase patient access to therapies for vascular retinal disorders. We want to fight blindness together. We therefore continue to support the NGO Retina Global in their efforts to set up retinal services in underserved areas of the world", says Patrik De Haes. "We also collaborate further with Prevent Blindness, the oldest voluntary eye health and safety organization in the US, to raise awareness of the damaging effects diabetes can have on vision."

Oxurion also remains locally committed to the community as a member and founding partner of Leuven MindGate, recognized as one of the world's R&D hotspots for health, high-tech and creativity. "We were very happy to learn that Leuven has been recognized as Innovation Capital of Europe in 2020. This proves that our home town and the whole region has turned into a hub for global knowledge and innovation. Oxurion is privileged to be part of that ecosystem."

The Company also contributed to important scientific research around COVID-19. "In the heat of the first wave, our preclinical team together with Leuven University Hospitals put a lot of effort into researching therapeutic possibilities of plasma kallikrein inhibitors in treating the disease. I am proud of their work", says Patrik De Haes.

Oncurious

Oncurious, a joint venture between Oxurion and VIB (Flanders Institute of Biotechnology), remains focused on developing innovative second-generation immuno-oncology medicines for treating a broad spectrum of cancers. They too made significant progress in 2020.

"We are proud that the company delivered a first pre-clinical proof of concept with its proprietary CCR8 Treg program and presented its strategy directed at boosting T cell migration, infiltration and activity into solid tumors", says Patrik De Haes.

"We are also looking forward to the initial results with Oncurious' molecule TB-403 for the treatment of medulloblastoma, a brain cancer in children", he continues. "We are now planning to make this company more independent quarter by quarter by setting up a separate management team and attracting new investors."

Looking forward

Overall, the CEO and Chairman of the Board of Directors of Oxurion are looking back on 2020 with satisfaction. "For the coming year, we have the potential to deliver positive results of the Phase 2 study with THR-149 and start a Phase 2 study with THR-687 by mid-2021. We have also been working with Tom to step up our efforts to attract capital to move forward with Oxurion's future development", says Patrik De Haes.

"We also want to express our appreciation to our extraordinary team. They worked hard and with spirit in the unique and challenging circumstances of 2020 and continue to do so", says Thomas Clay.

"We have confidence in the science behind our current programs, which can have a tremendous impact on the lives of people with diabetic eye diseases such as DME and beyond."

In 2020, we further strengthened our experienced leadership team

Grace Chang, MD, PhD

Chief Medical Officer

"I am thrilled to be joining Oxurion at such an important point in the company's development and I look forward to leading the clinical trials of THR-149 and THR-687, two novel molecules targeting DME with modes of action different from anti-VEGFs. DME is a leading cause of adult visual loss in developed countries, and new approaches are urgently needed for patients including those who do not respond optimally to anti-VEGF therapy. As a practicing vitreoretinal surgeon, I am excited about THR-687 and THR-149 and their potential to satisfy the needs of all patients with DME."

Dr. Chang joins Oxurion from Notal Vision Inc, where she held the position of CMO and was responsible for the scientific and clinical strategy, clinical development and medical affairs programs. She is a board-certified medical and surgical retina specialist and is an Adjunct Clinical Associate Professor in the Department of Ophthalmology, Vitreoretinal Service at the University of Southern California. Prior to this, Dr. Chang held several high-level clinical and strategic roles at Alcon, a former subsidiary of Novartis, following a faculty appointment at the University of Washington. Dr. Chang completed her ophthalmology residency and vitreoretinal fellowship at Harvard Medical School, Massachusetts Eye and Ear Infirmary. Additionally, Dr. Chang earned her M.D. from Stanford University, and her Ph.D. from the California Institute of Technology.

Prof Alan Stitt, PhD

Chief Scientific Officer

"I am excited to be joining Oxurion, a highly innovative company that I know well from my academic collaborations that have contributed to the selection and early development of THR-149 and THR-687. I look forward to working with their great team of scientists to help advance and broaden Oxurion's highly promising pipeline. This comprises of novel drug candidates with differentiated modes of action targeting retinal disorders such as DME and wet AMD, but also dry AMD, for which there are currently no treatment options."

Prof Stitt was appointed CSO of Oxurion in January 2021, and is currently overlooking all preclinical research at the Company. Alan Stitt holds the McCauley Chair of Experimental Ophthalmology at Queen's University of Belfast since 2001 and is internationally known for his research in ophthalmology, particularly in the field of disease hallmarks for vascular retinal disorders, including age-related macular disorders, wet and dry AMD, but also DME and RVO. As a member of the Royal Irish Academy (RIA) and a Fellow of the US Association for Research in Vision & Ophthalmology (ARVO), Alan contributes significantly to the international academic community by serving on advisory boards and grant panels, and has a range of editor and editorial board memberships in the ophthalmology arena.

Tom Graney, CFA

Chief Financial Officer

"I am excited to have the opportunity to work with Patrik and the team at Oxurion. With THR-149 and THR-687, I believe Oxurion has two highly differentiated new drug candidates that have the potential to address the needs of nearly all patients with DME, and the broader market for vascular retinal diseases. I am looking forward to using my experience to ensure Oxurion has continued access to the financial resources needed to achieve its ambitious corporate goals."

Tom Graney has extensive global finance experience that spans corporate development, commercial strategy, portfolio management and supply chain management, communication and investor relations. He is the former Chief Financial Officer of Generation Bio, was Senior Vice President and Chief Financial Officer at Vertex Pharmaceuticals Inc. and Chief Financial Officer and Senior Vice President of Finance & Corporate Strategy at Ironwood Pharmaceuticals. Prior to Ironwood Pharmaceuticals, Mr. Graney spent 20 years working with J&J and its affiliates, serving for four years as worldwide vice president of finance and Chief Financial Officer of Ethicon. A Chartered Financial Analyst charterholder, Mr. Graney holds a B.S. in accounting from the University of Delaware and an M.B.A. in Marketing, Finance and International Business from the Leonard N. Stern School of Business at New York University.

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

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3.1 KEY FIGURES

3.1.1 Consolidated statement of financial position

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
Property, plant and equipment	230	340
Right-of-use assets	1,069	2,212
Intangible assets	2,127	1,982
Other non-current assets	96	96
Non-current tax credit	3,708	3,385
Inventories	85	20
Trade and other receivables	1,451	3,592
Current tax receivable	719	467
Investments	288	10,444
Cash and cash equivalents	24,511	42,492
Total assets	**34,284**	**65,030**
Total equity	25,048	53,306
Non-current liabilities	1,543	2,136
Current liabilities	7,693	9,588
Total equity and liabilities	**34,284**	**65,030**

3.1.2 Consolidated statement of profit and loss

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
Income	2,078	3,946
Operating result	-28,620	-52,174
Finance income	468	495
Finance expense	-408	-407
Result before income tax	-28,560	-52,086
Taxes	0	-17
Result of the year	-28,560	-52,103
Result per share		
Basic earnings/(loss) per share (euro)	-0.75	-1.36
Diluted earnings/(loss) per share (euro)	-0.75	-1.36

3.2 ACTIVITIES OF OXURION

3.2.1 General

ThromboGenics NV was incorporated on May 30, 2006 and is a limited liability company (in Dutch: Naamloze Vennootschap). Following shareholders' approval at an extraordinary shareholders' meeting held on September 3, 2018, and effective as of September 10, 2018, ThromboGenics NV changed its corporate name to Oxurion NV.

The registered office is established at:
Gaston Geenslaan 1
B-3001 Leuven
Belgium
Tel: +32 16 75 13 10
Fax: +32 16 75 13 11

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

3.2.2 Mission

Oxurion is dedicated to developing new pharmacologic treatments addressing important unmet clinical needs in ophthalmology. Oxurion is focused on developing novel medicines for vascular retinal disorders, with an initial focus on diabetic retinopathy and diabetic macular edema, as well as compounds targeting other vascular retinal disorders including in the areas of Age-related Macular Degeneration (AMD) and Retinal Vein Occlusion (RVO).

3.2.3 History

Thromb-X was the original Company of the Group. It was founded by Prof. Collen and the KULeuven in 1991 to develop new thrombolytics with better efficacy, less side effects and lower production costs by using the experience of Prof. Collen gained during the development of the successful thrombolytic drug tPA.

In 1992, Thromb-X moved to a state-of-the-art research center next to the Center for Molecular and Vascular Biology of the KULeuven. In 1995, the Center for Transgene Technology and Gene Therapy of the Flanders Institute for Biotechnology (VIB) moved into the same building. Through close cooperation with the KULeuven and VIB, the Company was able to move promising research programs through development.

The initial R&D efforts of Thromb-X were aimed at the development of staphylokinase, a promising thrombolytic for acute myocardial infarction. For strategic and commercial reasons, the Company decided to progress this development outside the western market. In the meantime, Thromb-X successfully developed ocriplasmin, a recombinant derivative of the plasmin protein, in cooperation with the KULeuven and VIB.

In 2001, ThromboGenics gained access to additional financing when the US venture capital firm East Hill Biopharmaceutical Partners became a shareholder. With this funding, ThromboGenics intensified the development of ocriplasmin and began investigating it for ophthalmic indications. In 2003, the Company expanded its operations by setting up a subsidiary in the US, ThromboGenics, Inc. based in New York.

In May 2006, ThromboGenics NV, a Belgian company with headquarters in Leuven, was incorporated as the holding company of ThromboGenics Ltd, Thromb-X NV, Producell Biotech NV and ThromboGenics, Inc. After some mergers, the Group's structure has been simplified.

In July 2006, ThromboGenics raised 35 million euro through a successful Initial Public Offering (IPO) and listed on the Eurolist of Euronext Brussels.

ThromboGenics pioneered the new drug category of pharmacological vitreolysis, developing and commercializing JETREA® (ocriplasmin) which has been approved for the treatment of vitreomacular adhesion/ vitreomacular traction in 54 countries worldwide.

In 2015, Oxurion took a strategic decision to focus its main resources on developing novel medicines for vascular retinal disorders, with an initial focus on diabetic retinopathy and diabetic macular edema, as well as compounds targeting other vascular retinal disorders including in the areas of Age-related Macular Degeneration (AMD) and retinal vein occlusion (RVO).

In order to allow the Company to focus its efforts on the development of new medicines for vascular retinal disorders, Oxurion decided in 2019 to move towards a distribution model for JETREA®. This was completed in 2020 when Oxurion granted a world-wide license to the Inceptua Group to commercialize JETREA®.

Today, Oxurion, formerly ThromboGenics, is an integrated biopharmaceutical company focused on developing innovative treatments for vascular retinal disorders. As of December 31, 2020, the Group consists of Oxurion NV, a fully owned subsidiary ThromboGenics, Inc and an 89.59% owned subsidiary Oncurious NV.

3.2.4 Employees and headcount development

As of December 31, 2020, the Oxurion Group engaged 66 personnel, including employees and contractors:

- 55 for Oxurion NV: 51 in Leuven, Belgium; 1 in France, 1 in Germany and 1 in Italy
- 4 in ThromboGenics, Inc. (US home-based employees)
- 7 for Oncurious NV all employed in Leuven, Belgium

The Oxurion Group engages 25 personnel holding a Doctoral degree and 28 personnel holding a master's degree.

3.2.5 Activities

Diabetes, Diabetic Retinopathy, Diabetic Macular Edema – a global and growing health concern

Diabetic Macular Edema (DME) is a result of diabetes caused by fluid accumulation in the macula (central part of the retina), due to leaking blood vessels, leading to swelling of the macular area due to the increased permeability of the vessels resulting in the loss of vision.

DME is caused by another complication of diabetes, called Diabetic Retinopathy (DR), in which blood vessels in the eye are damaged, allowing fluid to escape. DR is the presence and characteristic evolution of typical retinal microvascular lesions in an individual with diabetes. DR is a chronic, progressive, sight-threatening, and life-altering disease, and is the leading cause of vision loss in working-age adults (20-65 years). DME can occur at any stage in the development of DR.

DR and DME are growing public health concerns due to the rapid growth in the number of people with diabetes globally. More than one in three people living with diabetes will develop some form of DR in their lifetime, and 20% of those will have some vision-threatening form of the disease such as DME.

The current market value for DME treatments has been estimated to be approximately $4.5 billion. Along with the development of diabetes as a global health issue, prevalence numbers of DME are expected to rise for the foreseeable future.

Oxurion DME franchise addressing unmet medical need

The market for DME therapies is currently dominated by anti-VEGFs, which are the standard of care.

However, anti-VEGFs have been shown to deliver suboptimal results in a significant portion of the patient population. Approximately 40% of DME patients have an unsatisfactory early visual response with anti-VEGF therapy, and in many cases anti-VEGFs fail to achieve a clinically meaningful visual improvement.

Moreover, despite the significant success of anti-VEGFs, there will always be a need from both physicians and patients for improved therapies, not only to expand treatment capabilities for the 40% of DME patients who respond suboptimally to anti-VEGFs, but equally to deliver:

- Faster onset of action
- Better therapeutic effect in terms of visual function, best corrected visual acuity (BCVA), and response rate (proportion of patients)
- Longer duration of response allowing extended treatment intervals
- Improved convenience of treatment through a simpler dosing regimen

The above requirements are driving the development of THR-149 and THR-687 to meet specific unmet needs in this market so that these novel compounds could potentially become the new standard of care for patients with DME.

Oxurion's emerging DME franchise will be based on the successful development of THR-149 and THR-687, two novel therapeutics with different validated modes of action having the potential to be first in class, designed for specific complementary target patient groups.

Oxurion is confident that with both THR-149 and THR-687 it has the potential to be able to provide new tailored therapeutic solutions that deliver improved clinical outcomes to all DME patients.

THR-149 – a plasma kallikrein inhibitor for treatment of DME: currently recruiting patients in Phase 2 Part A

In September 2020 Oxurion announced that the first patient had been treated in the Phase 2 KALAHARI study evaluating THR-149 for treatment of DME.

THR-149 is a novel plasma kallikrein inhibitor being developed as a potential new standard of care for the 40% of DME patients who respond suboptimally to anti-VEGF therapy.

THR-149 acts through inhibition of the plasma kallikrein-kinin (PKal-Kinin) system, a validated target for DME.

The first part (Part A) of our Phase 2 study will evaluate 3 dose levels of multiple injections of THR-149 in patients with DME to select the optimal dosing regimen [based on safety and efficacy]. Initial data (from Part A) is expected in mid-2021.

In Part B of the study, planned to start in H2 2021, the dosing regimen selected in Part A will be compared to the current anti-VEGF standard of care in the form of aflibercept (Eylea) in terms of its ability to improve BCVA. Topline data from Part B is planned to become available in the first half of 2023.

A positive Phase 1 study with THR-149 showed that it:

- Is well-tolerated and safe. No dose-limiting toxicities nor drug-related serious adverse events were reported at any of the dosages evaluated in the study.
- Delivered promising results particularly improvements in the patient's BCVA. A rapid onset of action was observed from Day 1, with an increasing average improvement in BCVA of up to 7.5 letters at Day 14.
- Importantly, this activity was maintained with an average improvement in BCVA of 6.5 letters at Day 90 following a single injection of THR-149.

This novel drug candidate was generated using Bicycle Therapeutics' Bicycles® technology platform.

THR-687 - a small molecule pan-RGD integrin antagonist for the treatment of DME:

Positive Phase 1 Results with THR-687 for the treatment of DME – Phase 2 program planned to start in mid-2021

Oxurion is developing THR-687, a potential first-in-class and best-in-class pan-RGD integrin antagonist, to preserve vision in a broad range of patients with DME. Inhibition of integrins is a validated target in DME and THR-687 is being developed as first line therapy for DME.

Topline data in 2020 from the Phase 1 trial showed that THR-687:

- Is well-tolerated and safe with no dose-limiting toxicities. No serious adverse events were reported at any of the doses evaluated in the study.
- The study also looked at efficacy including changes to the patient's BCVA. Across all doses, a rapid onset of action as measured by mean BCVA change was observed from Day 1 with an increase of 3.1 letters, which further improved to 9.2 letters at Day 30.
- This activity was maintained with a mean BCVA improvement of 8.3 letters at Day 90 following a single injection of THR-687.
- A clear dose response was seen in terms of BCVA with the highest dose of THR-687 delivering a mean BCVA improvement of 11 letters at Day 14, with a peak improvement of 12.5 letters at Day 90.
- In addition, a peak mean central subfield thickness (CST) decrease of 106 µm was observed at Day 14 with the highest dose of THR-687.

Data from this positive Phase 1 study with THR-687 were presented by a leading retina expert at the Bascom Palmer

Eye Institute Angiogenesis, Exudation, and Degeneration 2020 Meeting in Miami (US).

Oxurion is preparing a Phase 2 study with THR-687. The team has carried out additional multiple dose preclinical studies and is in the process of completing the IND (Investigational New Drug) application submission ahead of the planned start of the Phase 2 study in mid-2021.

The planned Phase 2 study will be a multiple dose study in two parts, the first, Part A to select the optimal dose of THR-687 and the second, Part B to compare this selected dose to aflibercept. Dose selection following Part A is anticipated in the first half of 2022 with topline data from Part B planned for the second half of 2023.

Oxurion preclinical data presentation on THR-687 and dry AMD

Oxurion presented new preclinical data on THR-687 and dry AMD at the EURETINA 2020 Virtual Meeting in October 2020. The European Society of Retina Specialists (EURETINA) was established over 20 years ago and hosts the leading annual European retinal congress which now attracts over 5,000 global vitreoretinal and macular specialists.

- The first presentation (title: THR-687, a potent pan-RGD integrin antagonist, holds promise as next-generation therapy for diabetic macular edema) confirmed THR-687 as a promising drug candidate for the treatment of vision-threatening retinal pathologies such as diabetic retinopathy (DR) and DME.
- The second presentation (title: *Characterization of the acute rat model of sodium iodate-induced dry age-related macular degeneration*) reported data from a new preclinical model for testing and validation of drug candidates for different stages of dry AMD using complementary read-outs.

Details of the abstracts can be found on the EURETINA 2020 Virtual website: https://www.euretina.org/congress/amsterdam-2020/virtual-2020-freepapers/

Oxurion Virtual R&D Day

On October 15, 2020 Oxurion held a virtual R&D day for analysts and investors, highlighting its innovative drug candidates for next generation DME therapy. This included presentations from leading KOLs on THR-149 and THR-687 clinical data and our ongoing and future clinical development strategies for these assets. The presenting KOLs were:

- For THR-149:

Ramin Tadayoni, M.D., Ph.D., *Professor of ophthalmology at University of Paris, Head of the Ophthalmology Departments at Lariboisière, St Louis and Rothschild Foundation Hospitals in Paris, France*

- For THR-687:

Arshad Khanani, M.D., M.A., *Managing Partner, Director of Clinical Research, Director of Fellowship at Sierra Eye Associates, and Clinical Associate Professor at the University of Nevada, Reno, US.*

The virtual R&D day was highly successful, attended by approximately 100 participants, mainly analysts and investors.

Management Appointments

Tom Graney, CFA, appointed Chief Financial Officer

In October, Oxurion announced the appointment of Tom Graney, CFA as its Chief Financial Officer (effective October 14, 2020) to succeed Dominique Vanfleteren. Tom is based in Boston, MA, US.

Tom has over 25 years' experience in senior finance, strategy and operational roles including capital raising, corporate development, and audit. Before joining Oxurion he served as CFO at Generation Bio (NASDAQ: GBIO), a non-viral gene therapy company based in Cambridge, MA, where he led all of the company's financial operations.

Prior to joining Generation Bio, Tom was Senior Vice President (SVP) and CFO at Vertex Pharmaceuticals (NASDAQ: VRTX), one of the world's most highly valued commercial stage biotech companies, with a multi-billion-dollar turnover. At Vertex Tom was responsible for financial strategy and operations including finance, accounting, and internal audit functions.

Prior to Vertex, he was the CFO and senior vice president, finance, and corporate strategy at Ironwood Pharmaceuticals (NASDAQ: IRWD), a commercial stage GI-focused biotech company. Before joining Ironwood, Tom spent 20 years with Johnson & Johnson, serving in various roles in the US and abroad, including being Worldwide VP of Finance and CFO of Ethicon, a major medical device company and VP and CFO of Janssen Pharmaceuticals NA, a major pharmaceutical company in North America.

Grace Chang, M.D., Ph.D. appointed Chief Medical Officer

In August, Oxurion appointed Grace Chang, M.D., Ph.D. as its Chief Medical Officer. She is responsible for leading the Company's clinical programs for both THR-687 and THR-149 as Oxurion looks to build a world-leading DME franchise that could provide much improved therapeutic solutions for all DME patients.

Dr. Chang is a board-certified ophthalmologist and practicing vitreoretinal surgeon with deep expertise in ophthalmic drug research and development.

Dr. Chang is also currently an adjunct Clinical Associate Professor in the Department of Ophthalmology, Vitreoretinal Service at the University of Southern California in Los Angeles.

Professor Alan Stitt, Ph.D. appointed Chief Scientific Officer

Effective January 19, 2021, Professor Alan Stitt, Ph.D. was appointed Chief Scientific Officer (CSO) of Oxurion. This appointment follows the retirement of the former CSO Jean Feyen, Ph.D., who has served in this position since joining the Company in 2013. Dr. Feyen will remain available to the Company during a transition period to support Professor Stitt and the rest of the preclinical development team.

Professor Stitt is the Chair of Experimental Ophthalmology at Queen's University of Belfast and is internationally known for his research in ophthalmology, particularly in the field of disease hallmarks for vascular retinal disorders, including age-related macular disorders, wet and dry AMD, but also DME and RVO. He has also been awarded many accolades for his research including a Royal Society Merit Award, election to membership of the Royal Irish Academy (RIA) and Fellowship of the Association for Research in Vision & Ophthalmology (ARVO).

Beyond his research programs, Alan contributes significantly to the international academic community by serving on advisory boards and grant panels and has a range of editor and editorial board memberships in the ophthalmology arena. Going forward, Alan will continue to perform his University duties and affiliations on a part-time basis.

Other appointments

Following the tragic passing of Oxurion's Chief Legal Officer and Corporate Secretary/Global Head of Corporate Development, Claude Sander, in December 2019, Oxurion appointed Kathleen Paisley as Chief Legal Officer and

Michaël Dillen as Chief Corporate Development Officer and Corporate Secretary.

Kathleen Paisley is an accomplished lawyer with more than 25 years' experience in major law firms practicing in Brussels, London and The Hague, including as a partner engaged in life sciences at US-based international law firms and Ambos Lawyers in Brussels. She is a US national who is qualified in New York and Washington DC, and earned her J.D. from the Yale Law School, as well as an MBA in Finance, Bachelor of Sciences and has passed the Certified Public Accountancy exam.

Michaël Dillen joined the Company from Mithra Pharmaceuticals SA where he was Company Secretary and Vice President of Corporate Development. Prior to Mithra, he was Senior Legal Counsel at Terumo Corporation. His experience includes corporate development, legal, regulatory, and company secretary activities, for pharmaceutical companies as well as at leading law firms. He holds law degrees from the University of Antwerp and Queen Mary University of London, and a business degree from Solvay Brussels School.

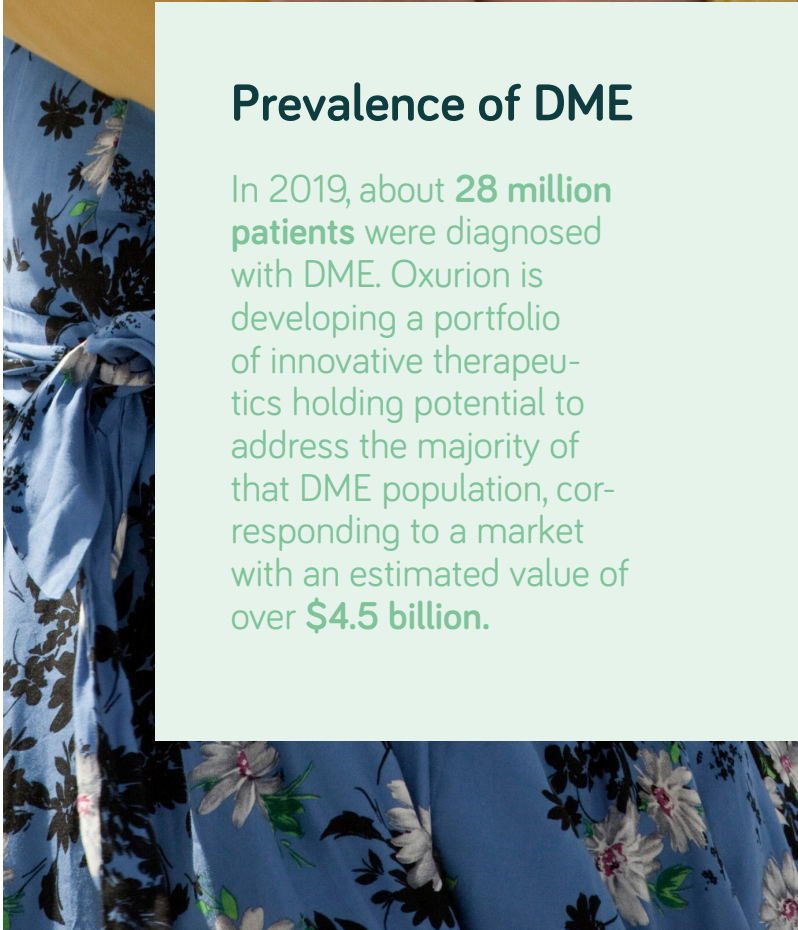
Oncurious - Exciting Progress with Solid Tumor Pipeline Announced

Oncurious is developing next-generation immuno-oncology drugs targeting a broad spectrum of cancers. Oncurious is a majority owned subsidiary of Oxurion. The remainder of the shares in the company are owned by VIB, a leading life sciences research institute based in Flanders, Belgium.

Oncurious' scientists, in collaboration with world-class immuno-oncology experts in T cell and endothelial cell biology – Prof. Dr. Gabriele Bergers (VIB-KU Leuven), Prof. Dr. Massimiliano Mazzone (VIB-KU Leuven) and Prof. Dr. Jo Van Ginderachter (VIB-VUB), and the drug discovery unit at VIB, are building a pipeline of proprietary investigational immuno-oncology therapies with distinct modes of action.

Prevalence of DME

In 2019, about **28 million patients** were diagnosed with DME. Oxurion is developing a portfolio of innovative therapeutics holding potential to address the majority of that DME population, corresponding to a market with an estimated value of over **$4.5 billion.**



The team has discovered a potent and diverse panel of leads targeting human CCR8 and has reached preclinical proof of concept and is entering the final lead optimization stages nearing preclinical candidate selection. Oncurious is accelerating its efforts towards initiation of preclinical development of the therapeutic antibody program in early 2021.

Oncurious' CCR8 leads have been generated using an antibody technology platform that has been validated and used for more than a decade to generate high quality binders against G-protein coupled receptors. Molecules discovered using this technology were tested in several preclinical tumor models, and showed that targeting CCR8 depleted Tregs specifically in the tumor microenvironment and resulted in strong anti-tumor responses in monotherapy as well as in combination with anti-PD1. The treatments led to the establishment of immunological memory.

In addition to the anti-CCR8 program, Oncurious is focusing on two other programs aimed at boosting anti-tumor T cell influx and activity in immune excluded tumors. Exclusion of T cells is an immunosuppressive mechanism commonly used by cancers to evade the immune system and as such is an attractive target for new therapeutic modalities.

Oncurious – Update TB-403 study in Pediatric Subjects with Medulloblastoma

Data from the Phase 1, Open-Label, Multicenter, Dose Escalation Study of TB-403 in Pediatric Subjects with Relapsed or Refractory Medulloblastoma is scheduled to be presented at the AACR (American Association for Cancer Research) Annual Meeting on Saturday April 10, 2021.

3.2.6 Intellectual property

The Company's drug candidates are covered by several patent families that are either owned by, or licensed to, the Company.

The licenses granted to Oxurion are exclusive licenses with the right to sublicense and are subject to pre-agreed royalties. Oxurion NV has the rights to all intellectual property that was developed in-house. The Company engages a contracted European patent counsel from a reputable Patent Bureau who works in collaboration with several leading international patent law firms.

3.2.7 Group structure

As of December 31, 2020, Oxurion NV has a wholly owned US subsidiary, ThromboGenics, Inc. which is based in Iselin, New Jersey and a subsidiary, Oncurious NV of which Oxurion NV holds 89.59%, the other 10.41% being owned by VIB (referred to herein as "Oxurion", "Company" or "Group," or the "Oxurion Group", note that "Oxurion NV" is used to refer only to Oxurion NV).

3.2.8 Facilities

Since January 2009, all the Company's laboratories have been located at the "Bio-Incubator" building at the Gaston Geenslaan 1 at 3001 Leuven.

The Company occupies several state-of-the-art research laboratories, including cell culture rooms, a molecular biology laboratory, an analytical laboratory, a protein expression and purification suite, an in vivo pharmacology unit, and all the necessary support and storage rooms. The Company has access to 1,500 square meters of laboratories and offices in Leuven, Iselin (US).

The Company is GMP certified (EU Regulation 2003/94/EC) by the Belgian Health Authorities (FAGG/AFMPS) for both Commercial and Investigational Medicinal Product batch certification.

3.2.9 Investment policy

Apart from investments in laboratory materials, hardware and software, Oxurion has not made any other significant investments, nor made commitments to make major investments in the near future.

IP acquired from third parties is accounted for as investments and subject to impairment evaluation in accordance with IFRS accounting policies.

R&D expenses will be directly financed and as such are not considered as investments to be capitalized on the balance sheet according to relevant accounting rules. Under IFRS reporting, only development costs made in Phase 3, and according to the Company's accounting policies, will be capitalized.

3.2.10 Health, safety and environmental regulations

Oxurion is focused on creating a safe environment, not only for the Company's employees, but also for contractors, visitors and the overall environment.

As a biotech Company, Oxurion must deal with biological products daily. The environmental, health and safety policy is a key element of the Company's business strategy and is part of the training of each employee. This policy implies a continuous process through which constant improvements and innovations are being implemented.

While biotech research is inherently associated with high waste production, where possible the Company selects re-usable or recyclable material: disposable protective garments are replaced by a washable alternative, plastics are replaced by glassware, waste flows are separated in different fractions to allow recycling. Orders are placed with local (European) providers and grouped to reduce transportation impact. Our processes are optimized to generate as little waste materials as possible.

Furthermore, Oxurion actively promotes the use of public transportation or bicycle for the regular commute to work; and work-related travel is replaced by interactive video-conference calls to maintain business contacts. Oxurion remains ever conscious of the environmental impact of its activities, and continuously evaluates its needs in order to minimize its footprint.

3.2.11 Corporate social responsibility

The Company is in contact with NGOs and patient advocacy organizations. Oxurion is a partner of Prevent Blindness and Retina Global. Oxurion continuously aims to reach out to the broader eye community to join forces and to demonstrate its dedication to fulfilling our mission: to prevent vision loss and fight blindness worldwide by developing and delivering next-generation treatments.

3.3 COMMENTS TO CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were prepared in accordance with IFRS as adopted by the EU and were approved by the Board of Directors on April 1, 2021.

Income statement

In 2020, Oxurion JETREA® income amounted to 2.1 million euro compared to 4.0 million euro in 2019.

Oxurion's gross profit in 2020 amounted to 1.5 million euro compared to 1.7 million euro in 2019.

R&D expenses in 2020 were 22.1 million euro compared to 25.7 million euro in 2019. The R&D expenses were mainly related to preclinical activities as well as clinical activities in THR-687 and THR-149. The 2020 figure included a milestone payment of 2.0 million euro related to the development of THR-149. Government grants and income from recharge of costs are deducted from the research and development expenses.

In 2020, the selling expenses of Oxurion were 3.3 million euro compared with 7.0 million euro in 2019. The decrease is mainly due to the out-licensing of JETREA® to the Inceptua Group.

General and administrative expenses related to General, Human Resources, Finance, ICT, Legal, Corporate Communications management and the Board decreased from 6.3 million euro in 2019 to 5.5 million euro in 2020.

In 2020, Oxurion obtained other operating income of 0.8 million euro compared to 2.0 million euro in 2019. The 2019 operating income included 1.0 million euro resulting from a closing balance of profit transfer from JETREA® sales made by Alcon/Novartis.

In 2020, Oxurion incurred an operating loss of 28.6 million euro compared to an operating loss of 52.2 million euro in 2019 which included a write off of 16.9 million euro for the remainder of all JETREA® intangibles.

Oxurion's total financial income remained stable at 0.5 million euro compared to last year, while finance expenses were also stable at 0.4 million euro.

In 2020, Oxurion incurred a loss for the year of 28.6 million euro, compared to a loss for the year in 2019 of 52.1 million euro resulting in negative diluted earnings per share of 0.75 euro in 2020 versus 1.36 euro negative diluted earnings per share in 2019.

Cash Flow

Oxurion's cash position (including investments) at the end of 2020 amounted to 24.8 million euro, in comparison to 52.9 million euro (including investments) at the end of 2019.

Balance sheet

The total balance sheet as of December 31, 2020 amounted to 34.3 million euro with cash, cash equivalents and investments representing 72% of the total balance sheet. This compares to 65.0 million euro with cash, cash equivalents and investments representing 81% of the total balance sheet as of December 31, 2019. The Group has no external financial debts.

Oxurion NV was incorporated as ThromboGenics NV on May 30, 2006 with a capital of 62,000 euro represented by 11,124 shares. As of December 31, 2020, the consolidated capital of the Company amounted to 44,912,961 euro represented by 38,291,950 shares.

3.4 COMMENTS TO STATUTORY ACCOUNTS

The 2020 financial year closed with a loss of 26.9 million euro compared to a loss of 50.2 million euro for the 2019 financial year.

The operating income for the 2020 financial year amounted to 21.0 million euro compared to 24.3 million euro in 2019, consisting of:

- 1.9 million euro from product sales compared to 3.0 million euro in 2019;
- 0.1 million euro from royalties compared to 0.1 million euro in 2019;
- 17.6 million euro capitalized R&D expenses compared to 18.0 million euro in 2019; and
- 1.4 million euro from costs carried forward and other operational revenue compared to 3.2 million euro in 2019.

The operating expenses for the financial year 2020 amounted to 48.6 million euro compared to 75.4 million euro for the financial year 2019. These operating expenses break down as follows:

- 6.3 million euro in purchases compared to 12.0 million euro in 2019;
- 15.0 million euro in services and various goods compared to 16.2 million euro in 2019. The 2020 figure included a milestone payment of 2.0 million euro related to the development of THR-149;
- 7.3 million euro in salaries and social security compared to 8.4 million euro in 2019;
- 18.5 million euro in depreciation and amortization compared to 20.5 million euro in 2019 when amortization of ocriplasmin was limited to 1.6 million euro for the first half of 2019 due to the fact that it was fully impaired in June 2019;
- 0.1 million euro in other operating expenses compared to 1.4 million euro in 2019; and
- 1.4 million euro in non-recurring operating charges due to the impairment of NPDR compared to 16.9 million euro in 2019 due to the impairment of JETREA®.

Therefore, the operating loss amounts to 27.6 million euro, compared to a loss of 51.1 million euro a year earlier.

The financial results were as follows: 0.5 million euro in financial revenue in 2020 and 2019, and 0.4 million euro in financial expenses in 2020 and 2019.

Favorable adjustments of income taxes, tax credits, amounted to 0.6 million euro in 2020 and 0.7 million euro in 2019.

As a result, the 2020 financial year closed with a loss of 26.9 million euro compared to a loss of 50.2 million euro for the 2019 financial year.

In addition, for the financial year 2020, an amount of 0.07 million euro was invested, mostly in IT & laboratory equipment and office modeling, compared to 0.11 million euro in 2019.

Going concern

According to Article 3:6 of the Belgian Companies Code (Article 96, 6th of the old Belgian Companies Code) and after deliberation, the Board of Directors has decided to preserve the valuation rules assuming continuation, for the following reason:

The Statutory financial statements were prepared on a going concern basis.

Management has assessed the Company's ability to continue as a going concern through preparation of the budgets and cash flow forecasts for the years 2021 and 2022. These forecasts reflect the strategy of the Company and include significant expenses and cash outflows in relation to the development of selected research programs and its pipeline of products candidates.

At December 31, 2020 the Company has cash and cash equivalents (including investments) of 24.8 million euro in comparison with 52.9 million euro at December 31, 2019. The cash balance is sufficient to fund operations into the fourth quarter of 2021. This had the potential to create a material uncertainty about the continuity of operations. However, the Company has secured access to committed equity funding until at least mid-2022. According, the Board of Directors decided to continue its valuation rules under the assumption of going concern.

3.5 DESCRIPTION OF THE PRINCIPAL CHARACTERISTICS OF THE COMPANY'S RISKS

The risks and uncertainties that Oxurion believes to be material are described below. Should any of these risks materialize, it could have a material adverse effect on Oxurion's cash flows, results of operations, financial condition and/or prospects and may even endanger its ability to continue as a going concern. Moreover, other risks, including those currently unknown or deemed immaterial, may also impair Oxurion's business operations.

As further described below, in 2020 and going forward, Oxurion was and will continue to be subject to the following risks, among others:

- Oxurion will require additional financial investments to fund future research and development activities.
- Oxurion is a clinical stage company with no history of profitability due to the substantial spending on product development.
- The market may not be ready for or may not accept the drug candidates of Oxurion.
- The pharmaceutical market is highly competitive, which means that Oxurion is required to compete with players having much stronger financial and human resources than the Company, which creates the possibility of competition in many forms, including competing molecules and the possible genericization of the anti-VEGF market.
- Bringing a drug candidate to market requires expensive and time intensive preclinical and clinical studies and the outcome of each phase is always uncertain. Oxurion may be unable to complete the preclinical studies and development programs of its product candidates successfully and/or to obtain the licenses and approvals necessary to bring new drugs to the market.
- The guidelines and rules issued by the European Medicines Agency (EMA), from the US Food and Drug Administration (FDA) or any other comparable Regulators ("Regulators") to authorize the marketing of Oxurion's products are very strict and their impact is difficult to predict.

- Obtaining reimbursement of drugs may be even more important and difficult to obtain in the future.
- Oxurion may be subject to claims that its products violate the intellectual property rights of others or may be exposed to violations of patents or other intellectual property rights.
- Oxurion is dependent on partners to provide expertise and various forms of support for clinical development, manufacturing, R&D technology and in-licensing.
- Oxurion may face difficulties in attracting and retaining key executives and scientific personnel.

In 2020, financial risk management focused on:

- Credit risks: Credit risk is limited to JETREA® sales for which the Company has entered into an exclusive license with Inceptua, which is a creditworthy company. Oxurion checks creditworthiness of each commercial partner with a reputable agency.
- Interest risks: The Group does not have any financial debts and as such does not have material interest risk.
- Currency risks: Oxurion is moderately subject to exchange rate risks. Uncovered outgoing foreign currencies will be honored by exchanging euro. As per its treasury policy, Oxurion has not used financial instruments to cover such risks.

This section will further specify components of each risk listed: The risk factors are presented in seven categories, depending on their nature. In each category, the risk factor that in Oxurion's view is the most material, taking into account the potential negative impact on Oxurion (including any relevant mitigation measures) and the probability of its occurrence, is mentioned first. The remaining risk factors within each category are not ranked in order to their materiality. The financial risks are addressed in section 5.5.7

3.5.1 Risk factors related to Company's financial position and capital requirements

Oxurion is largely dependent on external funding that may not be available on acceptable terms when needed, if at all.

On December 31, 2020, Company's cash position was 24.8 million euro. Based on current projections, Oxurion is able to fund the cash requirements of its planned research and development activities and other expenses for the next 12 months but will require additional funding in the future to finance its product candidates and take advantage of new business opportunities.

The extent of Oxurion's future financing needs is dependent on many factors, including the progress, costs and timing of its research and development activities, preclinical studies and clinical trials, the costs of managing patent and IP portfolio and obtaining regulatory approval, and the terms and timing of its product supply arrangements, commercial relationships, license agreements and other partnerships, and/or re-establishing sales and marketing capabilities.

Oxurion's existing capital resources are not sufficient to fund the completion of all its current preclinical studies and clinical trials through to out-licensing or commercialization. Accordingly, Oxurion will need to raise additional funds. Currently, Oxurion mainly relies on equity for additional funding.

Oxurion's ability to raise additional funds depends on financial, economic and market conditions and other factors, over which it may have no or limited control, and Oxurion cannot guarantee that additional funds will be available when necessary on commercially acceptable terms, if at all. Furthermore, raising additional capital is likely to cause dilution to Oxurion's existing shareholders, restrict its operations or require the Company to relinquish or restrict rights to its product candidates or technologies

on unfavorable terms. While Oxurion is debt free, the future incurrence of indebtedness could result in fixed payment obligations and could also result in certain additional restrictive covenants that could adversely impact the way Oxurion conducts its business. This could have a material adverse effect on Oxurion as it may be forced to delay, reduce or terminate the development or commercialization of all or part of its product candidates, be unable to take advantage of future business opportunities , and potentially impair Oxurion's ability to sustain operations, obtain any required additional funding, or continue as a going concern.

Oxurion is a clinical stage biotech company with no history of profitability due to substantial investments in product development.

Oxurion is a biotechnology company in the ophthalmology sector. Oxurion is dedicated to developing and bringing new pharmacologic treatments addressing important unmet clinical needs in ophthalmology to a commercial stage of development for the treatment of vascular retinal disorders, with an initial focus on diabetic retinopathy and diabetic macular edema, as well as compounds targeting other vascular retinal disorders including in the areas of Age-related Macular Degeneration (AMD) and retinal vein occlusion (RVO).

Oxurion's compounds in its clinical pipeline are comprised of:

- a potent plasma kallikrein inhibitor (THR-149) in a Phase 2 study for the treatment of DME
- a small molecule pan-RGD integrin antagonist (THR-687) being developed to treat a broad range of vascular retinal disorders, which completed a successful Phase 1 study in DME.

Oxurion is developing the THR-149 and THR-687 pipeline candidates in clinical and preclinical settings and does not anticipate generating revenue from sales of these products for the foreseeable future.

Oxurion intends to continue its efforts to conduct preclinical testing, product development, clinical trials and regulatory compliance activities which, together with anticipated general and administrative expenses, will result in incurring further significant losses for several years. These losses, among other elements, will continue to cause Oxurion's working capital and the shareholders' equity to decrease.

The extent of Oxurion's future net losses will depend on the amount of expenses it incurs and its ability to generate revenue. The Company may encounter unforeseen events (potentially including expenses, difficulties, complications, delays and other unknown factors) that may have a material adverse impact on its business and financial situation.

It is uncertain whether Oxurion will generate positive preclinical or clinical data, receive regulatory approval, earn revenues or achieve profitability, which could impair Oxurion's ability to sustain operations, obtain any required additional funding, or continue as a going concern. Furthermore, even if Oxurion achieves profitability in the future, it may not be able to sustain profitability in subsequent periods.

3.5.2 Risk factors related to the Company's business activities and industry

The novelty of the Company's product candidates generates a number of unknown factors that may have an adverse effect on Oxurion

The innovative nature of the pathways and mechanisms of action Oxurion is researching and developing may result in unexpected correlations or the lack of correlations that would be predicted. For THR-149, which is currently in Phase 2 clinical trial, clinical Phase 1 data showed increasing average improvement in Best Corrected Visual Acuity (BCVA), but there was no clear signal of reduction in Central Subfield Thickness (CST) which may be a currently desired endpoint but unproven signal of improvement of DME affections. The Phase 1 data for THR-687 on the other hand showed significant improvement of BCVA and indications of reduction in CST.

This type of advanced research sometimes requires additional preclinical and clinical activities to generate more extensive data and hence additional costs, triggering a requirement for additional funding. Oxurion cannot provide assurance that it will be able to deal with these unknown factors, which may have an adverse effect on the business, the results, the financial situation and the development of the product candidates.

Oxurion's business environment is characterized by rapid technological change and complexity and intense competition that could limit or eliminate the market opportunity for its product candidates.

The healthcare industry is characterized by a rapidly changing competitive landscape in which Oxurion competes with other companies based on technology, product offering, therapeutic area, intellectual property, geographic area, time to market and other factors. Oxurion's success depends on, among other things, its ability to establish a competitive position with respect to all these factors. Oxurion believes its competitive advantages include its expertise and know-how in vascular retina disorders, the quality (i.e., efficacy and safety) of its product candidates, and the choice of the indications (i.e., unmet medical needs in the fields of vascular retina disorders). However, Oxurion's competitors may have greater financial, human and other resources than the company does.

Markets for ophthalmologic treatments are in general highly competitive and the fields in which Oxurion operates are characterized by increased innovation. Oxurion's competitors may be currently developing, or may in the future develop, technologies and products that are equally or more effective, safe and/or economical as the future offering of Oxurion. This may have a negative impact on Oxurion's success in the fields in which it operates.

It is also possible that Oxurion's product candidates may not gain acceptance by patients, physicians and other healthcare professionals. Market acceptance of Oxurion's product candidates' will depend on many things, including Oxurion's ability to demonstrate their clinical efficacy, safety, cost effectiveness, convenience and ease of use. Additionally, the Company's or its partners' ability to promote, market, and to obtain sufficient coverage or reimbursement from payers may impact the commercial success of products brought to market. If Oxurion's product candidates fail to gain market acceptance, this could have a material adverse impact on Oxurion's ability to generate revenues.

3.5.3 Risk factors related to clinical development

The Company's research programs and product candidates must undergo rigorous preclinical studies and clinical trials, of which the start, timing of completion, number and results are uncertain and could substantially delay or prevent the product candidates from reaching the market. If Oxurion experiences significant delays or is unable to obtain marketing authorization, this would have a material adverse effect on its business.

Oxurion's research programs and product candidates must undergo rigorous preclinical studies and clinical trials, of which the start, the timing of completion, the number and the results are uncertain.

The clinical trials of Oxurion's pipeline candidates may be delayed for a variety of reasons, including, but not limited to, the impact of COVID-19, obtaining regulatory approvals (including IND) to initiate the Phase 2 study for THR-687, reaching agreement on acceptable terms with prospective clinical research organizations, manufacturing organizations and clinical trial sites; if issues were to be raised about the safety or efficacy of the product candidates; or potential delays in obtaining regulatory approval from the Regulators to commence a trial, in recruiting sufficient number of suitable patients to participate in a trial, in having patients complete a trial or return for follow-up, in obtaining sufficient supplies of clinical trial materials, or the recruitment and retention of clinical sites.

Patient enrolment is a significant factor in the timing of clinical trials and is affected by many factors including, but not limited to:

- the number of patients available for clinical trials
- patient concerns about COVID-19
- the proximity of patients to clinical sites
- the therapeutic endpoints chosen for evaluation
- the eligibility criteria for the clinical trials
- the size of the patient population required for analysis of the trials' therapeutic endpoints
- potential concerns about the safety of the product
- competing clinical trials
- clinicians' and patients' perceptions as to the potential advantages of the product being studied in relation to other available therapies, including any new products that may be approved for the indications that Oxurion is investigating
- whether the clinical trial design involves comparison to placebo or standard of care
- whether the clinical trial investigators have the appropriate competencies and experience
- the proportion of patients leaving the study before reaching an endpoint
- the availability of adequate insurance.

If Oxurion experiences lower/slower than expected enrolment in the trials, the trials may not be completed as envisaged or may become more expensive to complete, which may have an adverse impact on Oxurion's business, prospects, financial condition and results of operations.

Reliance on clinical data and other results obtained by third parties

As part of Oxurion's strategy to mitigate development risk, it seeks to develop product candidates with validated mechanisms of action. In doing so, the Company refers to development of similar drug classes and/or modes of action and in the future may utilize biomarkers to assess potential clinical efficacy early in the development process of our compounds.

This strategy necessarily relies on clinical data and other results obtained by third parties. If the third-party data and the results that we rely upon prove to be inaccurate, unreliable or not applicable to our product candidates, we could make inaccurate assumptions and conclusions about our product candidates. As a result, our research and development may be considered ineffective by the market and as a consequence our development efforts could be materially adversely affected, which may have an negative effect on Oxurion's business, prospects, financial condition and results of operations.

Results of preclinical studies and early-stage clinical trials of the Company's product candidates may not be predictive of the results of multi-dose preclinical studies and later-stage clinical trials.

Oxurion is not permitted to undertake clinical trials, market or promote any of its product candidates before receiving regulatory approval from the Regulators, and Oxurion may never receive such regulatory approval to market or promote for any of its product candidates. Although Phase 1 clinical trials for THR-149 and THR-687 indicate that both compounds are safe and signal clinically relevant BCVA gains, safety or efficacy issues can arise at any time and there is no certainty that these results will continue in further trials and preclinical studies.

Oxurion's success depends on the Company's ability to successfully develop or have developed one of its product candidates through completion of Phase 2 and Phase 3 clinical trials and regulatory approval, and then through successful commercialization of the product candidates. Oxurion cannot give any assurances that its preclinical studies and clinical trials for THR-149, THR-687 or its other product candidates will be completed in a timely manner, or at all. If THR-149, THR-687 or any other product candidate is not approved and commercialized, Oxurion will not be able to generate any product revenues for that product candidate, which may have an adverse effect on Oxurion's business, prospects, financial condition and results of operations.

Oxurion's product candidates may develop adverse side effects that may delay or prevent marketing approval.

Oxurion's product candidates may cause undesirable side effects or have other properties that could delay or prevent further development or prevent their regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following marketing approval, if achieved.

At the preclinical phase, adverse side effects in animals could impact dose levels or the ability to proceed to the clinic. At the clinical stage, adverse side effects could affect patient recruitment or the ability of enrolled patients to complete the trial or the completion of the trial itself or result in potential product liability claims. At the marketing stage, adverse side effects could prevent Oxurion or any potential future partner from achieving or maintaining market access and market acceptance of the affected product or could substantially increase commercialization costs and expenses.

Although THR-149 and THR-687's Phase 1 studies have shown these compounds to be safe, undesirable side effects could appear in subsequent clinical phases and could cause Oxurion or the Regulators to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the Regulators. Any of these occurrences may cause material harm to Oxurion's business, financial condition and prospects.

Oxurion's ability to grow may be hampered if it fails to successfully identify, develop and commercialize new indications for its product candidates, additional products, product candidates or indications

Oxurion's initial focus is to continue its clinical trials and ultimately to obtain approval of its pipeline product candidates for the treatment of DME.

Oxurion also runs preclinical research programs to further develop its product candidates for new indications and potentially new product candidates. Oxurion intends to leverage its preclinical research and clinical expertise to expand its pipeline to indications for which it believes its products have therapeutic potential. The accumulated data is expected to reduce the time and costs associated with early-stage clinical trials for vascular retinal disorders. However, the identification, selection and development of additional promising indications, products or product

candidates requires additional resources, if any additional indication, product or product candidate is ultimately identified.

If Oxurion is not able to identify new product candidates and/or to expand its pipeline to indications for which it believes its products have therapeutic potential, its future growth may be limited, which could have a material adverse impact on its business, financial condition and prospects.

3.5.4 Risk factors related to legal and regulatory risks

Failure to obtain marketing authorization, additional post-authorization studies being required, restricted use, withdrawal or limited market acceptance of Oxurion's product candidates among payers, doctors, patients and the medical community in general would affect Oxurion's ability to generate revenues from such product candidates or become profitable.

Oxurion's product candidates must receive marketing approval from the Regulators before they may be marketed and commercialized. Each Regulator can impose its own requirements and can refuse to give approval (thereby limiting the market potential) or can ask for additional data before giving the marketing approval for the respective drug candidate, even if such approval was already given by other Regulators.

Oxurion's current product candidates are in clinical trials and may not receive marketing approval. Furthermore, clinical data is often susceptible to varying interpretations and analyses and even a product that performed to satisfaction during clinical trials may nonetheless fail to obtain regulatory approval for marketing. Due to the inherent risk in the development of biopharmaceutical products, there is a risk that neither of the product candidates in the Oxurion pipeline will be successfully developed and approved.

Once approved, products may also be subject to post-authorization safety studies or other pharmacovigilance or biovigilance activities, may be subject to dosing or other limitations on their uses, or may be withdrawn from the market for various reasons, including if they are shown to be unsafe or ineffective when used in a larger population, which may be different from the trial population studied prior to introducing the product on the market. It is also possible that regulatory approval guidelines may change during the product development and review process, making the chosen development strategy suboptimal. These factors may result in significant delays, increased trial costs, significant changes to commercial assumptions or failure of the product candidates to obtain marketing authorization. Furthermore, if a marketing authorization is obtained, the Regulator may impose ongoing requirements for potentially costly post-approval studies or post-market surveillance.

In addition, once introduced to the market, Oxurion's products may not achieve the desired level of acceptance of the products and perception of the advantages of the products by the medical community. Efforts to educate the medical community and payers on the benefits of Oxurion's products may require significant resources and may never be successful, which could prevent Oxurion from generating significant revenues or becoming profitable.

The price setting, availability and level of reimbursement by third parties is uncertain and may impede Oxurion's ability to be commercially successful

The commercial success of Oxurion's product candidates depends in part on the conditions for setting the sales price of its products and the conditions of their reimbursement by the health agencies, insurance companies or other healthcare payers in the countries where Oxurion's product candidates are sold.

Considering the innovative nature of Oxurion's product candidates and the lack of similar products, reimbursement levels are difficult to predict and Oxurion's ability to adopt an adequate pricing strategy is uncertain. Oxurion's product candidates may not fit within the existing health technology assessment and reimbursement processes applied throughout the different jurisdictions in which Oxurion's product candidates would be sold and may be subject to different reimbursement facilities depending on the jurisdiction in which Oxurion's products are being offered. Moreover, there is general pressure on healthcare spending, on reimbursement and price levels in most countries, due to, among other things, the current environment of healthcare cost control and increase in healthcare budgets caused by an aging population.

Failure to obtain favorable price and/or adequate reimbursement by third parties, such as insurance companies, governmental and other healthcare payers may impede Oxurion's ability to generate sufficient revenue to offset operating expenses

Nearly all aspects of Oxurion's activities are subject to substantial regulation, which may have a significant adverse impact on Oxurion

The international biopharmaceutical industry is highly regulated by governmental Regulators imposing substantial requirements on almost all aspects of Oxurion's activities and those of its partners, notably on research and development, preclinical studies, clinical trials, product labelling, marketing, manufacturing, sales, handling, transport and storage of human material, record keeping, promotion and pricing of its research programs and product candidates. In each country where Oxurion operates, it is required to comply with the standards and regulations imposed by the Regulators, which are subject to regular review and possible changes. Moreover, the standards imposed by a Regulator and the approval procedure for clinical trials and/or marketing authorizations may vary in timing, detailed costs and efforts necessary to complete those procedures. Moreover, it is difficult to predict the various reasons for which the Regulator's approval of clinical trials may be refused, delayed, suspended or withdrawn.

If Oxurion's activities are limited by the application of the relevant regulations, it could experience significant delays in development or commercialization, additional costs, refusals, suspension, fines or withdrawals of approvals resulting in a significant adverse effect on Oxurion's business, prospects, financial condition and results of operations.

If any product liability claims are successfully brought against Oxurion or its collaborators, Oxurion may incur substantial liabilities and may be required to limit the commercialization of its product candidates.

Product liability claims due to unpredicted adverse side effects of the product candidates or JETREA® may be brought against Oxurion or its partners by participants enrolled in clinical trials, patients, practitioners, researchers, other health/research professionals or others using, administering or selling any of Oxurion's future approved products or JETREA®. Oxurion is currently insured for product liability risks for a 25 million euro per claim in annual aggregate. Oxurion may incur substantial liabilities if it cannot successfully defend itself against such claims and any such claims are not adequately covered by its insurance. To date, no such claims or legal actions have been filed against Oxurion.

If any data protection or data breach claims are successfully brought against Oxurion or its collaborators, Oxurion may incur substantial liabilities and reputational, financial and operational damages.

Oxurion is required to comply with applicable data protection laws, including the European General Data Protection Regulation, or GDPR, which imposes strict obligations and restrictions on the collection and use of personal data,

and even stricter requirements apply to sensitive data (including data related to health). This includes cybersecurity measures addressed to preventing loss or exposure of data, intrusion into our systems, and blockage of Oxurion's systems.

Oxurion collects, uses and stores personal data including sensitive data during the ordinary course of its operations. Oxurion's third-party vendors also have access to and process personal data, including sensitive data. Oxurion has established processes and controls for compliance with its data protection obligations and for the proper prevention, detection and response to cybersecurity risk. Although Oxurion has taken preventative measures and established procedures regarding data processing and data security; data protection violations, data breaches, loss of data and unauthorized access could still occur. These could result in legal claims or proceedings, liability under the data protection and other laws, significant regulatory penalties, disruption of Oxurion's operations and damage to its reputation. This may have an adverse effect on Oxurion's business, prospects, financial condition and results of operations.

3.5.5 Risk factors linked to intellectual property

Oxurion's patents and other intellectual property rights portfolio may not adequately protect its product candidates and/or Oxurion may not be able to protect and/or enforce its intellectual property rights in key countries or territories, which may impede Oxurion's ability to compete effectively.

The Company's product candidates and JETREA® are covered by several patent families, which are either licensed to Oxurion or owned by Oxurion. Oxurion's success will depend in part on its and its licensors and licensees' ability to obtain, maintain and enforce its patents and other intellectual property rights.

For its product candidates, Oxurion cannot guarantee that the current prosecution of its or its licensors' patent applications will result in granted patents for the product candidates in each of the territories. Further, Oxurion cannot guarantee that it or its licensors will be able to obtain or maintain these patent rights against third-party challenges to their validity, scope and enforceability, hence enabling competitors to circumvent or use them and depriving Oxurion of the protection it may expect against competitors.

Because patent law in the biopharmaceutical industry is highly uncertain, there can be no assurance that patents will be granted to Oxurion or its licensors under pending or future applications, or that patents will be of sufficient breadth to provide adequate and commercially meaningful protection against competitors with similar technologies or products.

Oxurion and its licensors have not sought to protect its intellectual property rights in all jurisdictions throughout the world and may not be able to adequately enforce its intellectual property rights in the jurisdictions where it has sought or obtained protection. Filing, prosecuting and defending their patents throughout the world would be prohibitively expensive for Oxurion and its licensors. Competitors may use Oxurion's technologies in jurisdictions where Oxurion or its licensors have not obtained patent protection to develop their own products and may also export otherwise infringing products to territories where Oxurion has patent protection but where enforcement is not as well developed as in the US or the European Union. A third party's ability to use unpatented technologies is enhanced by the fact that published patent applications contain a detailed description of the relevant technology and Oxurion cannot guarantee that third parties will not claim ownership rights over the patents or other intellectual property rights owned or held by Oxurion.

Consequently, Oxurion may not be able to prevent third parties from practicing its inventions in all countries, or from selling or importing products made using its inventions.

The inability of Oxurion to protect and/or enforce its intellectual property rights would likely have a material adverse effect on its business, prospects, financial condition and results of operations.

If Oxurion is not able to prevent disclosure of its trade secrets, know-how, or other proprietary information, the value of its technology and product candidates could be significantly diminished.

Oxurion relies on trade secret protection to protect its interests in its know-how and other proprietary information and processes for which patents are difficult to obtain or enforce, all of which constitutes confidential information.

Oxurion may not be able to protect its confidential information adequately. Oxurion has a policy of requiring anyone to which it discloses confidential information, including for example, its employees, actual or potential consultants, contract personnel, advisers, investors and third-party partners ("Receiving Parties"), to enter into confidentiality agreements. However, there is no assurance that such agreements will provide for the meaningful protection of confidential information in the event of any unauthorised use or disclosure of confidential information.

Furthermore, Oxurion cannot provide any assurance that any of its Receiving Parties, either accidentally or through wilful misconduct, will not cause serious damage to its programs and/or its strategy, by, for example, disclosing confidential information to its competitors. It is also possible that confidential information could be obtained by third parties as a result of breaches of physical or electronic security systems of Oxurion, its Receiving Parties or other parties that have had access to its confidential information.

Any disclosure of confidential data into the public domain or to third parties could allow Oxurion's competitors to learn confidential information and use it in competition against Oxurion. In addition, others may independently discover Oxurion's confidential information.

Enforcing Oxurion's rights against any misappropriation or unauthorised use and/or disclosure of confidential information is likely to be time-consuming and expensive, and may ultimately be unsuccessful, or may result in a remedy that is not commercially valuable. The inability of Oxurion to protect its confidential information could have a material adverse effect on its business, prospects, financial condition and results of operations.

If Oxurion fails to comply with its obligations under the agreements pursuant to which it licenses intellectual property rights from third parties, or otherwise experiences disruptions to its business relationships with its licensors, Oxurion could lose the rights to intellectual property that is important to its business.

Oxurion's activities are dependent in part on the use of intellectual property rights licensed from third parties for important aspects of its business, including both product candidates.

In particular, for its clinical programs, Oxurion has entered into license agreements with VIB, Bicycle, and Galapagos, as described in Section 5.8. The conditions under which the Company may use this intellectual property include, but are not limited to, the payment of fees upon achievement of certain milestones and royalties on net sales of relevant products, as well as the performance of other obligations.

If Oxurion fails to comply with its obligations under the respective license agreements, the licensors may reduce the scope of the license or terminate the license, resulting in the loss of the use of the related intellectual property rights. Loss of the rights to this or similar intellectual property

may mean that Oxurion is unable to develop, manufacture or sell its products or have them sold. This could have an adverse effect on Oxurion's business, prospects, financial condition and operational results.

Oxurion may be deemed to infringe on the patents or intellectual property rights of others and may face patent litigation, which may be costly and time consuming and could result in Oxurion having to pay substantial damages and/or limit Oxurion's ability to commercialize its product candidates.

Oxurion's success will depend in part on its ability to operate without infringing on or misappropriating the intellectual property rights of others, and Oxurion cannot guarantee that its activities, or those of its licensors, will not infringe on the patents or other intellectual property rights owned by others.

There is significant litigation activity in the pharmaceutical industry regarding patents and other intellectual property rights. Oxurion may expend significant time and efforts and may incur substantial costs in litigation if it is required to defend patent or other intellectual property right claims regardless of whether the claims have any merit, which is expensive and would be a distraction to management and other employees. Oxurion also cannot predict whether it or its licensors will be successful in any litigation.

If Oxurion or its licensors are found to have infringed the patents or other intellectual property rights of others, Oxurion may be subject to substantial claims for damages, which could materially impact its cash flow and financial position. Oxurion may also be required to cease development, use or sale of the relevant research program, product candidate or process or be required to obtain a license for the disputed rights, which may not be available on commercially reasonable terms, if at all. This may have an adverse effect on Oxurion's business, prospects, financial condition and results of operations. To date, no patent infringement claim has been made against Oxurion.

Obtaining and maintaining patent protection depends on compliance with various procedural, documentary, fee payment and other similar requirements imposed by governmental patent agencies, and Oxurion's or its licensor's patent protection could be reduced or eliminated for non-compliance with these requirements.

The relevant patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process and after grant. Oxurion and/or its licensors will be required to pay periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and/or applications in stages over the lifetime of the licensed patents and/or applications. The same is true of trademarks.

Although an inadvertent lapse usually may be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which non-compliance may result in abandonment or lapse of the patent or patent application, resulting in a partial or complete loss of patent rights in the relevant jurisdiction. Were this to occur, Oxurion's competitors would be able to use its technologies and those technologies licensed to Oxurion, which could have an adverse effect on Oxurion's business, prospects, financial condition and results of operations.

3.5.6 Risk factors linked to Oxurion's dependence on third parties and on key personnel

Oxurion might not find suitable partners to pursue the development, commercialization or the distribution of its products candidates.

Depending on the product candidate and geographic region, Oxurion's strategy may include out-licensing, co-development or partnering for the further development, distribution and commercialization of its product candidates. This requires finding the appropriate partner capable of developing, distributing and/or commercializing the products, which means that Oxurion's future success may depend in part on its ability to conclude partnerships and for those partners to fulfil their obligations. For example, in order to allow Oxurion to focus its efforts on the development of new medicines, Oxurion has entered into an exclusive world-wide license to commercialize JETREA® with the Inceptua Group, which is intended to minimize the losses from JETREA®.

Oxurion's dependence on collaborative arrangements with partners subjects it to a number of risks, including that:

- It may not be able to control the amount or timing of resources that its partners devote to its product candidates.
- It may be required to relinquish important rights, including intellectual property, marketing and distribution rights.
- It may not receive adequate future revenues (e.g., milestone payments or royalties) if a partner fails to develop or commercialize one of its product candidates successfully.
- A partner may develop a competing drug candidate either by itself or in collaboration with others.
- A partner's willingness or ability to fulfil its obligations under the collaboration arrangements may be adversely affected by changes in the partner's business strategy.

If any of these risks were to materialize, the Company's ability to develop and commercialize one or more of its product candidates could be impaired.

Oxurion relies, and expects to continue to rely, on third parties, including independent clinical investigators and Clinical Research Organizations (CROs), to conduct its preclinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, Oxurion may not be able to obtain regulatory approval for or commercialize its product candidates and its business could be substantially harmed.

Oxurion has relied upon and plans to continue to rely upon third parties, including independent laboratories, clinical investigators and third-party CROs, to conduct its preclinical studies and clinical trials and to monitor and manage data for its ongoing preclinical and clinical programs.

Oxurion relies on these parties for the execution of its preclinical studies and clinical trials and can control only certain aspects of their activities. However, Oxurion's reliance on these third parties does not relieve it of its regulatory responsibilities and it continues to be responsible for ensuring that each of its studies and trials is conducted in accordance with the applicable protocol, scientific standards and legal and regulatory requirements such as Good Laboratory Practice (GLP), Good Clinical Practice (GCP) and cGMP regulations. If Oxurion, third-party laboratories, participating investigators or any of its CROs fail to comply with applicable GLPs, GCPs or the tested products do not meet cGMP regulations, the preclinical or clinical data may be deemed unreliable and Regulators may require Oxurion to perform additional preclinical studies, clinical trials or other activities before approving further trials or the marketing applications of its product candidates.

Further, with respect to Oxurion's clinical trials, the investigators and CROs are not employees of Oxurion and Oxurion will not be able to control, other than by contract, the quality and amount of resources, including time, which they devote to the product candidates and the clinical trials. Clinical trials may be extended, delayed or terminated if

independent investigators or CROs fail to devote sufficient quality resources to the development of the product candidates, do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to Company's clinical protocols, regulatory requirements or for other reasons.

There are a limited number of third-party service providers that specialize or have the expertise required to undertake Oxurion's preclinical studies and clinical trials. If Oxurion's relationships with these third-party CROs or clinical and preclinical investigators or laboratories would be compromised or terminate, it may not be able to enter into alternative arrangements with alternative CROs or investigators or to do so on commercially reasonable terms. Switching or adding additional CROs (or investigators or laboratories) involves additional cost and requires management time and focus. In addition, the use of third-party service providers requires Oxurion to disclose its proprietary information to these parties, which could increase the risk that this information will be misappropriated.

If these third parties do not successfully carry out their contractual duties or meet expected deadlines, Oxurion's results of operations and the commercial prospects for the product candidates could be harmed, its costs could increase and its ability to generate revenues could be delayed. Oxurion may therefore not be able to obtain regulatory approval for or commercialize its product candidates and its business could be substantially harmed.

Oxurion relies, and expects to continue to rely, on third parties for manufacturing its products.

Oxurion relies on third party manufacturers to supply study medication for its clinical trials, drug discovery, and development process, as well as for the commercial supply of JETREA®.

Due to the size of Oxurion's business, most goods and services are provided by only one and not several different suppliers, which creates the risk of loss of key suppliers. Expanding the suppliers' network would be time consuming as all source suppliers are subject to rigorous quality control standards. Oxurion's suppliers are required to adhere to strict contractual terms that include regulatory, quality (including adherence to cGMP), as well as anti-bribery and anti-corruption provisions. The material contracts are detailed in the agreements section.

Notwithstanding these contractual requirements, a third party manufacturer may not comply with the required quality standards or devote sufficient resources to the manufacturing of Oxurion's product candidates or JETREA® or may otherwise fail in the manufacturing of such compounds, in which event the development and commercialization of the product candidate could be delayed (for example because of product re-runs) or even terminated or Oxurion's distribution partner for JETREA® could be hindered in its efforts. Were concerns to arise with the manufacturing, Oxurion's business could be substantially harmed.

Oxurion is subject to competition for its skilled personnel and challenges in identifying and retaining key personnel could impair Oxurion's ability to conduct and grow its operations effectively.

Oxurion is a small company with less than 70 employees and managers. Oxurion's success depends on the continued contributions of Oxurion's CEO and his direct reports, ("Executive Committee") its scientific personnel, and on its ability to develop and maintain important relationships with leading academic institutions, scientists and companies in the face of intense competition for such personnel, institutions and companies.

Although Oxurion generally has not experienced substantial problems retaining key employees, clinical and scientific personnel and members of Oxurion's Executive Committee may terminate their employment or services with the Company at any time with relatively short notice. The departure of certain clinical and scientific personnel or members of its Executive Committee may seriously and adversely affect Oxurion's business prospects and its research and development efforts.

Oxurion's ability to compete in the highly competitive biotechnology and pharmaceuticals market depends on its ability to attract and retain highly qualified management, scientific and medical personnel. Many of the other biotechnology and pharmaceutical companies and academic institutions that Oxurion competes against for qualified personnel have greater financial and other resources and different risk profiles than Oxurion does. Were Oxurion to be unable to attract and retain key personnel, this could prevent it from achieving its overall objectives and could thus have an adverse effect on its business, prospects, financial condition and results of operations.

Oxurion has obtained grants and subsidies. The terms of certain of these agreements may significantly hamper Oxurion in its flexibility to choose a different location for its activities.

Oxurion has received several technological innovation grants to date, to support various research programs from an agency of the Flemish government to support technological innovation in Flanders. If Oxurion fails to comply with its contractual obligations under the applicable technological innovation grant agreements, Oxurion could be forced to repay all or part of the grants received, which, for example, inhibit Oxurion's ability to relocate its activities.

Potential inability to qualify for advantageous tax regimes.

At the end of 2020 Oxurion had 305 million euro of deductible carry-forward tax losses in Belgium.

Being active in research and development in Belgium, Oxurion benefits from a patent income deduction, tax credit for R&D expenses, tax exemption for regional grants and subsidies and tax advantages for qualified personnel as well as the expatriate regime for foreign researchers and executives.

The introduction of a minimum taxable base and any other future adverse changes of Belgian tax legislation in relation to the items detailed above may materially adversely affect Oxurion's future average corporate tax rate, results of operations and financial position.

3.6 OTHER INFORMATION IN ACCORDANCE WITH BELGIAN COMPANY LAW

3.6.1 Events after the end of the financial year

On April 1, 2021, the Company has secured committed equity funding of up to 30 million euro by signing binding heads of terms with a third party.

3.6.2 Major trends influencing evolution of the Company

The assets potentially subject to impairment on the balance sheet of Oxurion are the carrying value of the intangible asset composed of the in-licensed integrin antagonist from Galapagos and the value of immuno-oncology assets in Oncurious in-licensed from VIB.

The test made on the in-licensed integrin antagonist from Galapagos and the in-licensed immuno-oncology assets from VIB has concluded that there is no need for impairment.

Concerning JETREA®, the declining sales of the asset signaled the need for impairment. At June 30, 2019 the value of all JETREA® intangibles were written off.

The cash situation at year-end will enable Oxurion to continue clinical development to reach a dosing selection and confirmation of clinical effect for THR-149 in mid-2021. The Company is actively pursuing additional funding to enable completion of the Phase 2 studies for THR-149 and THR-687.

3.6.3 R&D

Given the activities of Oxurion, R&D costs are very significant. R&D costs represent more than 70% of total operating costs in 2020 compared to more than 65% in 2019. The government grants and income from recharge of costs have been deducted from the R&D expenses starting from financial year 2014. These costs mainly consist of costs for clinical trials paid to third parties, personnel costs and depreciation. In 2013, a first depreciation on the capitalized costs related to the development in the context of Phase 3 of ocriplasmin for the treatment of vitreomacular adhesion was booked. The JETREA® asset was impaired as of June 30, 2019, and from that date substantially lowered the depreciations as shown in section 5.7.3.

3.6.4 Going concern

We refer to section 3.4.

3.6.5 Subsidiary activity – business combinations

ThromboGenics Inc

On December 31, 2020 Oxurion NV has a wholly-owned US subsidiary, ThromboGenics, Inc, which is based in Iselin, New Jersey.

Oncurious NV

Oxurion NV also has a subsidiary, Oncurious NV, of which Oxurion currently holds 89.59%.

On April 3, 2015, Oncurious NV was incorporated as a limited liability company (in Dutch: Naamloze Vennootschap) fully owned by Oxurion NV and ThromboGenics, Inc. It is an oncology company focusing on the development of innovative medicines for the treatment of pediatric brain tumors. Upon incorporation, Oxurion NV made a contribution in kind of the TB-403 patents, the TB-403 know-how and the rights and obligations under the TB-403 contracts representing 1,375,000 euro. ThromboGenics, Inc. made a contribution in cash of 1,000 euro.

On August 6, 2015, VIB made a contribution in kind in Oncurious NV of the potential future royalties of TB-403 (oncology) representing 125,000 euro. After this transaction, VIB became a minority shareholder in Oncurious alongside Oxurion NV, holding 125 shares of a total of 1,501 shares.

On December 12, 2017 Oxurion NV exercised the right to convert a 3.0 million-euro convertible loan granted by Oxurion NV to Oncurious into 3,000 shares in the ownership of Oncurious NV.

On December 12, 2017 Oncurious NV made congruent agreements with VIB and Oxurion NV in which VIB made a contribution in kind of the rights to five immuno-oncology targets in exchange for 857 new shares. As a result of these agreements, out of a revised total of 5,358 Oncurious NV shares, Oxurion NV held 4,376 shares or 81.67% and VIB 982 shares or 18.33%.

On July 23, 2020, during an extraordinary general meeting of Oncurious, several capital increases were carried out, followed by a capital decrease to reduce losses that had been incurred. The capital increases concerned several contributions, including debt claims from Oxurion NV and VIB from Oncurious. As a result of these events, the following adjusted shareholding applies at 2020 year-end closing: out of a revised total of 12,025 Oncurious NV shares, Oxurion NV owns 10,773 shares (representing 89.59%) and VIB 1,252 shares (or 10.41%).

Upon future established proof of concept of one or more of the immuno-oncology targets, VIB has a call option of up to 1,230 shares to be provided by Oxurion NV. We refer to the information on key arrangements in note 5.8 for more details on terms and accounting treatment.

3.6.6 Financial instruments

We refer to the section 5.5.6.

3.6.7 Financial risk management

We refer to the section 5.5.7.

3.6.8 Independence and competence in the Audit Committee

The Company's Audit Committee is validly composed in compliance with the Belgian Corporate Governance Code (2020 Edition) and the Belgian Companies Code. The Audit Committee is made up of Investea SRL represented by Emmanuèle Attout, Thomas Clay and Philippe Vlerick. All three Audit Committee members qualify as independent directors. Investea SRL represented by Emmanuèle Attout, as former audit partner at PriceWaterhouseCoopers, has the necessary credentials to bring the required accounting and auditing expertise in this committee.

CORPORATE GOVERNANCE

4

4.1 GENERAL PROVISIONS

This section summarizes the rules and principles applicable to the corporate governance of Oxurion. It is based on the Articles of Association and on the Corporate Governance Charter of the Company which was drawn up on October 19, 2006 and which has been updated since on a regular basis. The last update was approved by the Board of Directors in December 2019 and is published on Oxurion's website (https://www.oxurion.com/corporate-governance) ("Corporate Governance Charter")

The Corporate Governance Charter can be obtained free of charge via the Company's registered office.

The Corporate Governance Charter of Oxurion contains the following specific chapters:

- Board of Directors
- Executive Team and CEO
- Dealing Code – Rules for the prevention of insider trading and market abuse
- Audit Committee
- Nomination and Remuneration Committee

4.2 COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company notes that under Article 7.6 of the Belgian Corporate Governance Code (2020 Edition) non-executive board members should receive part of their remuneration in the form of shares in the Company. The Company does not comply with this provision of the Code because the Company has no distributable reserves and therefore it cannot acquire its own shares to be granted to directors.

The Company further notes that under Article 7.6 of the Belgian Corporate Governance Code (2020 Edition), non-executive board members should not receive subscription rights in the Company as part of their remuneration. The Company does not comply with this provision of the Code because the Company has no distributable reserves and therefore it cannot acquire its own shares to be granted to directors and therefore has decided to grant non-executive board members a limited number of subscription rights to allow them to purchase shares, as approved by the May 2019 Annual Shareholders' Meeting.

4.3 DESCRIPTION OF THE PRINCIPAL CHARACTERISTICS OF THE COMPANY'S INTERNAL CONTROLS AND RISK ANALYSIS

The Corporate Governance Charter describes how the Company addresses internal controls and risks analysis.

The following paragraphs summarize the most relevant characteristics of the Company's internal controls and risk analysis which make part of the roles of the statutory bodies as described in the Corporate Governance Charter.

Internal control systems play a central role in directing the activities and in risk management. They allow for a better management and control of the possible risks (strategic risks, financial risks, compliance with rules and legislations), in order to achieve the corporate goals. The internal control system is based on five pillars:

- Control environment
- Risk analysis
- Control activities
- Information and communication; and
- Supervision and modification

4.3.1 Control environment

The control environment at Oxurion includes both formal and informal rules on which the functioning of the Company relies.

Oxurion has defined Accountability, Empowerment, Optimism, Trustworthiness, Respect, Information and Consultation as being the values driving Oxurion's team with the aim to create an open corporate culture, in which communication and respect for patients, suppliers and staff play a central role. All employees are required to manage the Company's means with due diligence and to act with the necessary common sense. The informal rules are complimented by formal rules where necessary.

With this, Oxurion intends to attract, motivate and retain qualified employees, in a cooperative work environment and with possibilities for personal development. Their expertise and experience will contribute to the Company's effective management.

The control environment is further created and supported by the Board, the Board Committees, the Executive Team, the Executive Committee and the staff.

Board

The Board consists of a majority of independent, Non-Executive Directors. The Board undertakes the following functions in creating the control environment:

- The Board pursues sustainable value creation by the Company, by setting the Company's strategy, putting in place effective, responsible and ethical leadership and monitoring the Company's performance.
- The Board supports the Executive Team in the fulfilment of their duties and constructively challenges the Executive Team whenever appropriate.
- The Board decides on and regularly reviews the Company's medium and long-term strategy based on the proposals from Executive Management.
- The Board ensures that it approves the operational plans and main policies developed by the Executive Team to give effect to the approved Company strategy.
- The Board determines the risk appetite of the Company in order to achieve the Company's strategic objectives.

To achieve its duties, the Board of Directors relies on the operational committees, as well as the Executive Team:

Board Committees

- The Audit Committee evaluates the strength of controls at regular intervals and assists the Board in fulfilling its monitoring responsibilities in respect of the financial reporting process, the effectiveness of

the internal control and risk management systems, the internal audit and the statutory auditor's work and independence.

- The Audit Committee also monitors the integrity of the financial information provided by the Company: The Audit Committee ensures that the financial reporting provides a true, honest and clear picture of the situation and the prospects of the Company. For this monitoring, the Audit Committee in particular reviews the relevance and consistency of the accounting standards and the accuracy, completeness and consistency of the financial information.
- The Nomination and Remuneration Committee controls the quality and compensation for the Board, the Executive Team, and the Executive Committee, and evaluates the remuneration policy on a going forward basis. Under the new Belgian law, any material changes to the Remuneration Policy must be approved by the shareholders.

Executive Team and Executive Committee

- The day-to-day management is the responsibility of the Executive Team who is supported by the Executive Committee, which is made up of the CEO and his direct reports. The Executive Team controls the operations and activities of the Executive Committee and all other personnel.
- The Executive Team is made up of the CEO and other executive members of the Board. During 2020, the CEO was the only executive director and the CEO therefore was the only member of the Executive Team. References herein to the Executive Team therefore refer to the CEO.
- For the sake of effective management, authority is partially delegated from the Executive Team to the various departments within Oxurion. The delegation of authorities is not linked to a person, but rather to the position. The Executive Team, whose areas of responsibility are situated at Group level, holds a final control competence over the authorized representatives. All persons concerned are informed of the extent of their authority (rules on approbation, limitations of authorities).
- In managing internal controls and risks, the Executive Team is entrusted with proposing, developing, implementing and monitoring the Company strategy, taking into account Oxurion's values, its risk profile and key policies.

4.3.2 Risk analysis

As set forth above, the Board of Directors decides on the Group's strategy, risk profile and its main policy lines. The task of the Board of Directors is to strive for long-term success by ensuring proper risk assessment and management.

The Executive Team is responsible for the development of systems that identify, evaluate and monitor risks. The Executive Team undertakes a risk analysis in all departments of the Group and takes relevant risks into account in developing the Group's strategy. Implementation includes a set of means, codes of conduct, procedures and measures that fits the Company's structure, which are intended to maintain risks at an acceptable level.

The control environment is supported by Oxurion's Code of Business Conduct (the "Code") covering a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide the motives and actions of all directors, officers and employees of Oxurion. All directors, officers and employees of Oxurion must conduct themselves accordingly and seek to avoid even the appearance of improper behavior. The Code should also be provided to, and followed by, Oxurion's agents and representatives, including consultants.

The Code seeks to deter wrongdoing and to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest in personal and professional relationships;
- Full, fair, accurate, timely and understandable disclosure in reports and documents that Oxurion submits to the Brussels Financial Services and Markets Authority (the "FSMA") and in other public communications made by Oxurion;
- Compliance with all applicable governmental laws, rules, regulations and industry codes;
- Accountability for adherence to the Code; and
- The prompt internal reporting of violations of the Code.

Oxurion divides its objectives into four categories:

- strategic;
- operational;
- reliability of the internal and external information and
- compliance with rules and legislations and internal instructions.

Risk identification consists of examining the factors that could influence the objectives put forward in each category. Internal or external factors may influence the realization of these objectives.

- Internal factors: are closely related to the internal organization and could have several causes (e.g. change in the group structure, staff, ERP system).
- External factors: can be the result of changes in the economic climate, regulations or competition affecting the Company and the sector.

The risks identified by the Executive Team of Oxurion are detailed under section 3.5.

4.3.3 Control activities

In order to properly manage identified risks, Oxurion takes the following control measures:

- access and security systems at the premises and offices;
- establishment of internal operational and control procedures; and
- modifications and updates of the existing procedures; use of a reporting tool that permit financial data reporting on a regular basis (quarter, year). The reporting tool also permits development of KPIs and regular assessments thereof.

The risk mitigation comprises numerous day-to-day activities such as:

- regular updates of the Company's risk management plans;
- management by operational supervisors;
- data exchange with third parties for confirmation purposes (e.g. suppliers/customers);
- segregation of duties and
- control by external auditors.

4.3.4 Information and communication

The Board takes all necessary measures to ensure the integrity and timely disclosure of the Company's financial statements and other material financial and non-financial information in accordance with applicable law.

In order to be able to present reliable financial information, Oxurion makes use of a standardized reporting of accounts and a global application of IFRS recognition criteria and applies a uniform administration and implementation of the same ERP system in all subsidiaries.

Oxurion has a robust information management system. Depending on the type of data at issue, controls are in place to ensure that the information is limited to authorized persons. A back-up policy is available, and all data is backed up centrally on a weekly base and locally on a daily base.

4.3.5 Supervision and modification

Supervision is carried out by the Board of Directors, the Audit Committee and the Company's Executive Team.

Role of the Board

- The Board approves a framework of internal control and risk management, proposed by the Executive Team. It reviews the implementation of the framework, considering the evaluation made by the Audit Committee. The Board will also describe the main features of the internal control and risk management systems of the Company and disclose them in the Corporate Governance Statement.
- The Board ensures that there is a process in place for monitoring the Company's compliance with laws and other regulations, as well as for the application of internal guidelines relating thereto.

Role of the Audit Committee

- The Audit Committee should inform the Board of the outcome of the statutory audit and explain how the statutory audit contributed to the integrity of financial reporting and what the role of the Audit Committee was in that process.
- At least once a year, the Audit Committee reviews the internal control and risk management systems set up by the Executive Team. It ensures that the main risks are properly identified, managed and disclosed in accordance with the framework approved by the Board. The risks identified by the Executive Team of Oxurion are detailed under section 3.5.
- This also includes review and approval of the statements on internal control and risk management included in the Corporate Governance Statement in the Annual Report as well as review of the specific arrangements in place which the staff of the Company may use, in confidence, to raise concerns about possible improprieties.
- The Audit Committee monitors the external auditor's work program and reviews the effectiveness of the external audit process and the responsiveness of the management to the recommendations made by the external auditor in his or her management letter. The external auditor must report to the Audit Committee on the key matters arising from the statutory audit of the financial statements, and in particular on material weaknesses in internal control in relation to the financial reporting process.
- The Audit Committee annually reviews the need for an internal audit function and advises the Board on the Audit Committee's annual assessment of such need.

Role of the Executive Team

The Executive Team is responsible for:

- supervising compliance with the legislation and regulations that apply to the Company;
- putting internal controls in place (i.e. systems to identify, assess, manage and monitor financial and other risks) without prejudice to the Board's monitoring role, based on the framework approved by the Board;
- presenting to the Board a complete, timely, reliable and accurate preparation of the Company's Financial statements, in accordance with the applicable accounting standards and policies of the Company; and
- presenting the Board with a balanced and understandable assessment of the Company's financial situation.

Oxurion believes that periodic evaluations are necessary to assess the effectiveness of the internal control and the implemented procedures. As of the date of this Annual Report, Oxurion had not assigned an internal audit role as the size of the business does not justify a permanent role in this respect. As required, the Audit Committee outsources internal audit activities to cover selected and/or recurring topics.

External Audit

External auditing within Oxurion is performed by BDO Bedrijfsrevisoren, represented by Gert Claes, Company Auditor. This includes the auditing of the statutory annual accounts and the consolidated annual accounts of Oxurion NV and its subsidiaries.

4.4 FEES TO THE AUDITOR

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
Remuneration audit mandate	90	85
Other legal assignments of the auditor	18	8
Other services provided by the BDO network	21	9

In 2020, fees totaling 90,000 euro were paid for the audit mandates of Oxurion NV and Oncurious NV.

The 2020 fees involved other services provided by the BDO network relate to tax services provided in the UK and Ireland SOX review and were pre-approved by the Audit Committee.

4.5 NOTIFICATION OF IMPORTANT PARTICIPATIONS

4.5.1 Share capital and shares

On December 31, 2020, the share capital of the Group amounted to 55,325,961 euro, represented by 38,291,950 shares, all with the same fractional value. Under section 5.4 an overview is offered of the evolution of the Company's share capital. Section 5.7.9 also specifies the Board's powers with respect to authorized share capital.

On August 20, 2020, by decision of the extraordinary general shareholders meeting, accumulated losses of Oxurion NV were absorbed by a capital decrease of 50,198,374.38. Moreover, a second capital decrease of 5,532,596.62 euro was undertaken in order to create a reserve to cover foreseeable losses in accordance with Article 7:210 of the Belgian Companies Code.

In accordance with Article 7:198 of the Belgian Companies Code, the Board is authorized to proceed on one or several occasions with the acquisition, by purchase or exchange, of its own shares for a price to be determined by the Board at the time of acquisition. This authorization also applies to the acquisition of the Company's shares by one of its directly controlled subsidiaries pursuant to Article 7:221 of the Belgian Companies Code. This authorization is granted for a period of five years starting from the publication in the Annexes to the Belgian Official Gazette of the deed of amendment to the Articles of Association (June 13, 2019).

4.5.2 Warrant and Subscription Rights plans

Oxurion has issued a number of warrants under old plans, which are now referred to as subscription rights. Note that in this Annual Report reference is made to subscription rights, also to include warrants issued under the old plans..

On December 31, 2020, there is one effective subscription rights plan in place for personnel, the 2017 Plan. It is not possible to grant new subscription rights under this plan and therefore a subscription rights plan for personnel will be adopted in 2021.

On December 31, 2020, there is one effective subscription rights plan in place for non-executive members of the Board.

Paragraph 5.7.10 gives more detailed information on the warrant and subscription rights plans and outstanding subscription rights at the end of 2020.

4.5.3 Shareholders

On December 31, 2020, based on all received transparency declarations, Oxurion is aware of the following participations:

	SHARES	% OF TOTAL NUMBER OF SHARES
Mr. Thomas M. Clay and entities controlled by him	3,361,555	8.78%
Baron Philippe Vlerick and entities controlled by him	2,324,719	6.07%
Novartis Pharma AG	2,177,226	5.69%

4.5.4 Notification of important participations

Belgian law, in conjunction with the Articles of Association of Oxurion, imposes disclosure requirements on any individual or entity acquiring or transferring voting securities or securities which give a right to voting securities, as soon as, following such acquisitions or transfer, the total number of voting rights directly or indirectly held by such individual or entity, alone or jointly with others, increases above or falls below a threshold of 3 percent, 5 percent, or any multiple of 5 percent, of the total number of voting rights attached to the Company's securities. A shareholder whose shareholding increases above or falls below any such thresholds must, each time, disclose this fact to the FSMA and to the Company. The documents pursuant to which the transaction was affected must be submitted to the FSMA. The Company is required to publicly disclose any notifications received regarding increases or decreases in a shareholder's ownership of the securities of Oxurion on the next business day and must mention these notifications in the notes to its annual accounts. Euronext Brussels will publish details of the notifications.

4.5.5 Financial service – paying agent services

The financial service for the shares is provided in Belgium by KBC Bank, free of charge for the shareholders.

Shareholders must themselves solicit information with regards to costs relating to financial services offered by other intermediaries.

4.6 COMPOSITION AND FUNCTIONING OF THE COMPANY MANAGEMENT

4.6.1 Composition of the Board of Directors

The Company is led by a collegiate Board of Directors, which is the Company's most senior administrative body. The Company establishes the Board of Directors' internal rules and regulations and publishes them in its Corporate Governance Charter. It is the role of the Board of Directors to strive for the long-term success of the Company by guaranteeing entrepreneurial leadership and ensuring that risks are assessed and managed in an appropriate way. The Board of Directors' responsibilities are stipulated in the Articles of Association and in the Board of Directors' internal rules and regulations. The Board of Directors is organized in view of an effective execution of its tasks.

The Board of Directors decides upon the Company's values, strategic direction, policies geared achieving its objectives, and risk profile.

The Board of Directors ensures that the necessary leadership and financial and human resources are available so that the Company is able to realize its goals. Also, when determining the values and strategies contained in the Company's overall business plan, the Board of Directors considers corporate social responsibility, gender diversity and diversity in general.

Since June 15, 2017, Thomas Clay is the Chairman of the Board of Directors.

As of December 31, 2020, the Board of Directors consists of six members:

- Thomas Clay, Non-Executive, Independent Director, Chairman
- ViBio BV represented by Dr. Patrik De Haes, M.D., Chief Executive Officer, Executive Director
- Dr. David Guyer, M.D., Non-Executive, Director
- Investea SRL represented by Emmanuèle Attout, Non-Executive, Independent Director
- Baron Philippe Vlerick, Non-Executive, Independent Director
- Dr. Adrienne Graves, Non-Executive, Independent Director

The Board is composed of 2 female and 4 male members.

The following paragraphs contain a brief biography of each director in function during the year 2020.

Thomas Clay, Non-Executive, Independent Director, Chairman

Thomas Clay is the Managing Member of Epacria Capital Partners, LLC, a single-family office managing public and private investments for members of the Clay family. He also serves as a Director of several private companies and of the Clay Mathematics Institute, Inc. Thomas is a graduate of Harvard College, Oxford University, and Harvard Business School. Thomas replaced his father, Landon Clay, who led the first external investment into Oxurion and resigned from the Board of Directors in 2011.

Dr. Patrik De Haes, MD, (ViBio BV), Chief Executive Officer, Executive Director

Dr. Patrik De Haes has over 25 years of experience in the global healthcare industry, covering product development, marketing and general management. Before joining Oxurion as CEO in 2008, Patrik was Head of Roche's Global Insulin Infusion business. Prior to this, he was President and CEO of Disetronic Medical Systems Inc, a medical device company based in Minneapolis, US. He also led the global development and commercialization of the first biotech product at Sandoz Pharma (now Novartis) in Switzerland. As past Chairman of FlandersBio, Patrik is an active member of the local and regional biotech and life sciences community in Belgium. Patrik is also Executive Chairman of Oncurious NV, an emerging oncology company co-created by Oxurion NV and VIB life sciences. Patrik holds a degree in Medicine from the University of Leuven.

Dr. David Guyer MD, Non-Executive Director

Dr. David Guyer MD is a long-standing member of the US retina community and is currently the Co-Founder and Executive Chairman of IVERIC bio (formerly Ophthotech Corporation). He was previously the CEO of Ophthotech. Dr. Guyer is also on the Boards of iStar Medical and Eye-Point Pharmaceuticals. He co-founded and served as CEO and a Director of Eyetech Pharmaceuticals, Inc., where he led the company through private, public and corporate financings, and oversaw the rapid development and successful commercialization of Macugen® (pegaptanib sodium), the first FDA-approved anti-VEGF pharmacological treatment for the treatment of wet AMD. Dr. Guyer has also had a successful career in academic medicine as Professor and Chairman of the Department of Ophthalmology at New York University School of Medicine. Dr. Guyer received his Bachelor of Science (BSc) degree from Yale College summa cum laude and his medical degree (MD) from Johns Hopkins Medical School. He completed his ophthalmology residency at Wilmer Ophthalmological Institute at Johns Hopkins Hospital and a retinal fellowship at the Massachusetts Eye and Ear Infirmary at Harvard Medical School.

Emmanuèle Attout (Investea SRL), Non-Executive, Independent Director

Emmanuèle Attout has been an audit partner at PriceWaterhouseCoopers from 1994 to 2014, in charge of audits of a range of clients in various sectors, including listed companies and pharmaceutical and life sciences companies, from which she brings substantial relevant experience to the Board and to the Audit Committee. Emmanuèle is an independent Non-Executive Director, chair of the Audit Committee, of Atenor SA, AG Insurance SA/NV and Schréder SA. She is a supervisory board member of Eurocommercial Properties NV. Since 2009, Emmanuèle is co-founder and director of the NGO Women on Board. Emmanuèle graduated in Applied Economic Sciences at the Catholic University of Louvain.

Baron Philippe Vlerick, Non-Executive, Independent Director

Philippe Vlerick is the owner, Chairman and CEO of several businesses in Belgium and abroad. He currently serves as the Chairman and Chief Executive Officer of Vlerick Group (Belgium), and as Chairman and CEO of UCO NV, Chairman of Pentahold, Chairman of Smartphoto Group and Chairman of the Festival Van Vlaanderen. Baron Vlerick is also Vice-chairman of KBC Group and is a member of the Board of Directors of Exmar, Besix Group, Mediahuis, BMT and L.V.D. (Belgium). Mr Vlerick holds a Degree in Philosophy and Law from the University of Leuven, and an MBA General Management degree (PUB) (Ghent, Vlerick School of Management – 1979). He also holds a master's degree in Business Administration from Indiana University, Bloomington (US – 1980). In 2006, he was voted Manager of the Year by Trends, a leading business magazine in Belgium. He was granted the title of Baron in 2008 and became Commander of the Order of Leopold in 2013.

Dr. Adrienne Graves, Non-Executive, Independent Director

Dr. Graves is a board member of multiple companies and organizations including IVERIC bio, Nicox, the American Society of Cataract and Refractive Surgery, the Glaucoma Research Foundation, and the American Academy of Ophthalmology. She was the president and chief executive officer of Santen, Inc., the US arm of Japan's largest ophthalmic pharmaceutical company, Santen Pharmaceutical Co., Ltd. Before becoming the president and chief executive officer, she was the vice president of clinical affairs and senior vice president of worldwide clinical affairs for Japan, US and Europe at Santen, Inc. Prior to Santen, Inc., Dr. Graves was the director of international ophthalmology at Alcon Laboratories, Inc. She was also the co-founder of Glaucoma 360 (Glaucoma Research Foundation) and Ophthalmic Women Leaders (OWL). Dr. Graves received her bachelor's degree in psychology with honors from Brown University, her Ph.D. from the University of Michigan in psychobiology and completed a postdoctoral fellowship in visual neuroscience from the University of Paris.

4.6.2 Evaluation of Board activity and members

The Board does not use a formalized process for the assessment of its operation, the functioning of the Committees or the involvement of each director in Board activities. Rather, the Chairman, in consultation with individual directors and with support from the Nomination and Remuneration Committee, regularly conducts an evaluation of all components of the Board. A global evaluation is further informally debated in the various Board meetings and Committee meetings to ensure appropriateness and effectiveness of operations of all components of the Board and of interactions with the Executive Team. In particular when proposing election or re-election of directors, the Board ensures through its Board meeting discussions that its composition delivers the appropriate skills and diversity.

4.6.3 Board of Directors' Meetings in 2020

The Board of Directors met six times in 2020. With regard to its supervisory responsibilities, the following topics were discussed and assessed:

- The Board of Directors decides on the Company's strategy, its willingness to take risks, its values and major policies. The Board was actively engaged with the preclinical and clinical progress of the Company's program candidates and considered possible partnership opportunities, matters of a strategic nature, new and current investments, analysis, discussion and evaluation of acquisition opportunities.
- The Board of Directors ensures that the necessary leadership and the necessary financial and human resources are available so that the Company is able to realize its goals.
- The finalization and implementation of the out-licensing to Inceptua SA. of the JETREA® asset, in order to allow the Company to focus on the products THR-149 and THR-687 in the pipeline.
- Upon determining the values and strategies in the overall policy plan, the Board of Directors considers corporate social responsibility, gender diversity and diversity in general.
- The Board of Directors is responsible for the quality and comprehensiveness of the financial information published and application of the IFRS and FSMA requirements. The Board considered the Company financial data such as the summary half year financials, year-end financials, budget follow-up and consolidated results. At the same time, the Board of Directors is responsible for the integrity and timely publication of the annual results and other important financial and non-financial information that is communicated to shareholders and potential shareholders, the General Meeting, and the Annual Report. This included on-going discussion of the budget and going concern considerations.
- The Board of Directors supervises the Company's obligations towards its shareholders and considers the interests at stake of those involved in the Company. The Board was actively involved in discussions with future funding opportunities.
- The Board of Directors stimulates an effective dialogue with the shareholders and potential shareholders, on the basis of mutual understanding of goals and expectations.
- Following the recommendations of the Nomination and Remuneration Committee, the Board of Directors approves the contracts that appoint the CEO and the other members of the Executive Team and the Executive Committee. The contracts refer to the criteria adopted when determining the variable remuneration. The contract includes specific stipulations regarding a premature termination of the contract. To ensure alliance with the corporate objectives, the Board decided to emphasize the corporate objectives in compensating the members of the Executive Team and Executive Committee.
- The Board of Directors elects the structure of the Company's Executive Team, stipulates its powers and obligations, and supervises and evaluates the performance thereof. The Board decided on the achievement of the corporate objectives and the resulting bonuses, subscription rights and retention plans.

- The Board of Directors is responsible for the Corporate Governance structure of the Company and compliance with the Corporate Governance stipulations. The Board has decided to adopt a one-tier governance structure and to have an Audit Committee and a Nomination and Remuneration Committee.

The Board of Directors can deliberate validly only if at least half of its members is present or represented. Should this quorum not be achieved, a new Board meeting shall be convened with the same agenda, which meeting shall deliberate and validly pass resolutions if at least two directors are present or represented. Resolutions made by the Board of Directors shall be passed by a majority of the votes. The Board is allowed to deliberate on items not specified on the agenda only with the agreement of all members and subject to those being present in person.

Principle 2.9 of the Belgian Corporate Governance Code 2009 recommends that the Board of Directors appoints a Company Secretary to advise the Board on all Company matters. Claude Sander, the former Company Secretary, passed away on December 20, 2019. During the Board of Directors of March 12, 2020, the Board appointed Midico BV (represented by Michaël Dillen) as Company Secretary.

Below is the attendance grid at the 2020 Board meetings:

BOARD OF DIRECTORS	VIBIO BV	THOMAS CLAY, CHAIRMAN	DR. DAVID GUYER	INVESTEA SRL	BARON PHILIPPE VLERICK	DR. ADRIENNE GRAVES
12 March 2020	present	present	present	present	present	present
11 June 2020	present	present	present	present	present	present
17 September 2020	present	present	present	present	present	present
1 October 2020	present	present	present	present	present	present
10 December 2020	present	present	present	present	present	present
23 December 2020	present	present	present	present	present	present

4.6.4 Committees within the Board of Directors

The Board of Directors has established an Audit Committee and a combined Nomination and Remuneration Committee. The Board of Directors appoints the members and the chairman of each committee. Each committee consists of at least three members. The composition of the Committees for 2020 was as follows:

Audit Committee: Investea SRL (represented by Emmanuèle Attout), chairman; Thomas Clay; Philippe Vlerick.

The Audit Committee held four meetings during 2020.

Nomination and Remuneration Committee: Thomas Clay, chairman; Dr. Adrienne Graves; Dr. David Guyer.

The Nomination and Remuneration Committee held three meetings during 2020.

The powers of these Committees are described in the Corporate Governance Charter of Oxurion (Appendix 4 and 5), which is available on the Oxurion's website (www.oxurion.com).

Below is the attendance grid at the 2020 Committee meetings:

AUDIT COMMITTEE	INVESTEA SRL, CHAIRMAN	THOMAS CLAY	PHILIPPE VLERICK
6 March 2020	present	present	present
11 June 2020	present	present	present
10 September 2020	present	present	present
10 December 2020	present	present	present

NOMINATION AND REMUNERATION COMMITEEE	THOMAS CLAY, CHAIRMAN	ADRIENNE GRAVES	DR. DAVID GUYER
12 March 2020	present	present	present
11 June 2020	present	present	present
10 December 2020	present	present	present

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4.6.5 Executive Team

Oxurion has an Executive Team, which includes the CEO and the executive directors. During 2020, the CEO was the only executive director (hence references in this Annual Report to the Executive Team are to the CEO as there are no other executive directors). The members of the Executive Team are appointed by the Board of Directors and in accordance with Oxurion's Corporate Governance Charter. The Executive Team has the power to propose and implement corporate strategy, by taking into account the Company's values, its risk tolerance and key policies. The Executive Team is, among other things, entrusted with the running of the Company. The Executive Team does not constitute a management committee in the meaning of Article 07:104 of the Belgian Companies Code (Article 524bis of the old Belgian Companies Code).

The Board of Directors has appointed the CEO of the Company. The powers of the CEO were defined by the Board of Directors in close consultation with the CEO. The CEO supervises the various activities and the central services of the Company.

In 2020 the Executive Team is composed of:

- ViBio BV, represented by Dr. Patrik De Haes – CEO

The details of the remuneration of the Executive Team are laid out in the Remuneration Report.

This section displays a brief biography of each Executive Team member in place at December 31, 2020.

Dr. Patrik De Haes (ViBio BV) – Chief Executive Officer

We refer to the section 4.6.1.

4.6.6 Executive Committee

In addition to the Executive Team, several managers are members of the Executive Committee; this Executive Committee is not mentioned in the Corporate Governance Charter. The members of the Executive Committee provide support and assistance to the Executive Team. As such, the members of the Executive Committee have no statutory delegated powers to represent the Company or to propose or implement corporate strategy.

Executive Committee meetings are attended by the CEO and the following executives (December 31, 2020):

- Julie Binon – Chief People Officer
- Dr. Grace Chang – Chief Medical Officer
- Dr. Andy De Deene – Chief Development Officer
- Tom Graney – Chief Financial Officer
- Midico BV represented by Michaël Dillen – Chief Corporate Development Officer and Company Secretary
- Paisley BV represented by Kathleen Paisley – Chief Legal Officer
- Panéga BV represented by Dr. Jean Feyen – Chief Scientific Officer

4.7 POLICY REGARDING TRANSACTIONS AND OTHER CONTRACTUAL RELATIONSHIPS BETWEEN THE COMPANY, INCLUDING AFFILIATED COMPANIES, AND ITS DIRECTORS AND MEMBERS OF THE EXECUTIVE TEAM

4.7.1 Conflicts of Interest of Directors and members of the Executive Team

Article 7:96 of the Belgian Companies Code (Article 523 of the old Belgian Companies Code) contains special provisions which must be complied with whenever a director has a direct or indirect conflict of interest of a patrimonial nature in a decision or transaction within the authority of the Board of Directors.

According to Appendix 1 and 2 of the Corporate Governance Charter of the Company regarding transactions or other contractual relations between the Company including affiliated companies, and its directors and members of the Executive Team, such transactions need to be submitted to the Board of Directors.

In 2020, two conflicts of interest occurred:

(1) Board of Directors of December 10, 2020

Conflict of interest with respect to the achievement of the 2020 corporate objectives

(A) Declaration

Dr. Patrik De Haes declared that he had a conflict of interest within the meaning of Article 7:96 of the Belgian Companies Code (Article 523 of the old Belgian Companies Code) about the agenda item regarding, i.e., the achievement of the 2020 corporate objectives. This conflict of interest results from the following circumstances: Dr. Patrik De Haes is the permanent representative of ViBio BV which serves as CEO of the Company. As executive member of the Board of Directors, he is entitled to receive annual variable compensation. The amount of the variable compensation is dependent on the Board of Directors' assessment of the achievement of the corporate objectives and its resolution about the pay-out ratio for the variable compensation.

(B) Description of the resolution and justification

Due to extraordinary times (i.e. COVID-19), it was decided to make the payment (in full or in part) of the variable component foreseen for the 2020 financial year entirely dependent on the achievement of the corporate objectives set for 2021.

(C) Consequences

The aforementioned director refrained from participating in the deliberation and decision-making process with regard to the aforementioned resolution.

(2) Board of Directors of December 23, 2020

Conflicts of interest with respect to the subscription rights plan for non-executive members of the Board

PREVENTION AND MANAGEMENT OF POSSIBLE CONFLICTS OF INTEREST

Application of Articles 7:96 and 7:200, 2° Belgian Code of Companies and Associations (CCA)

Before proceeding to the decisions, the Directors

Dr. GUYER David Robert (hereafter Sub 2)

Mr. CLAY Thomas Moragne (hereafter Sub 3)

"INVESTEA", private company, with permanent representative Mrs. ATTOUT Emmanuèle Rose Gilles Marie, (hereafter Sub 4)

Mr. VLERICK Philippe Marie Thérèse Ghislain, Michel Afra Alphonse (hereafter Sub 5)

and Dr. GRAVES Adrienne Lee (hereafter Sub 6)

being all of the Non-Executive Directors, including all of the independent Directors, informed the Board that (i) when decisions have to be taken on the items on the agenda, they and/or their permanent representative have a potential conflict of interest of a proprietary nature within the meaning of Article 7:96, §1 CCA with regard to the fact that they are the direct potential beneficiaries of the issuance of the Subscription Rights Plan 2020 for Non-Executive Directors proposed in the agenda and (ii) all of them are potential beneficiaries of the cancellation of the preferential subscription right as referred to in article 7:200, 2° CCA.

All these Directors Sub 2 through Sub 6 will therefore not participate in the deliberation or voting on the items on the agenda of this meeting.

Only Director Sub 1, "ViBio" with permanent representative Dr. DE HAES Patrik Franciscus Albertus, in his position as CEO and as the sole executive director of the Company, confirms that he can participate without any impediment in the decision-taking on the items on the agenda of this Board of Directors.

In accordance with article 7:96 §1, second paragraph, CCA the Board of Directors requests the acting notary to act as follows:

- the nature of the targeted decision/transaction is: *in concreto*, this concerns the issue of fixed subscription rights for Non-Executive Directors without vesting period;
- the property consequences for the Company are: a total of one hundred and fifty thousand (150,000) new subscription rights will be issued for free each of which entitles the holder to one share of the Company at an exercise price per share equal to lowest of (i) the average closing price of the shares of the Company on the stock exchange for a period of thirty (30) calendar days prior to the date of the offer or (ii) the closing price of the Company's shares on the last business day prior to the date of the offer as further detailed and regulated in the 2020 Subscription Rights Plan for Non-Executive Directors; upon granting, acceptance and exercise of all Subscription Rights there will be (can be) a maximum of one hundred and fifty thousand (150,000) new shares issued in the Company which will approximately represent 0.39% of the current number of shares in the Company;
- the justification of the decision to be taken is as follows: this decision is first of all the implementation of a previous decision of the General Shareholders' Meeting of May 7, 2019 to review the compensation for Non-Executive Directors, where it was explicitly decided to annually grant seven thousand five hundred (7,500) subscription rights per Non-Executive Director (with the option to choose an alternative in cash only if the Non-Executive Director was not able to accept the subscription rights) in the context of and for the purpose of reasonable and competitive remuneration of the Non-Executive Directors; after all, the purpose of the Subscription Rights Plan 2020 for Non-Executive Directors is also:

(a) to create a long-term steady incentive for the Non-Executive Directors of the Company.
(b) to promote the participation in the share capital of the Company by Non-Executive Directors, as well as to establish a continuous and long-term cooperation and ensuring the personal efforts of the Non-Executive Directors as part of the development and success of the Company.
(c) to enable the Company to compete and to attract experienced Non-Executive Directors.
(d) to create a common interest between the Non-Executive Directors participating in the Subscription Rights Plan 2020 for Non-Executive Directors on the one hand, who through the exercise of their Subscription Rights have the option to share in the added value and growth of the Company, and the shareholders of the Company on the other hand, whose target it is to increase the value of the shares of the Company; and

(e) to align with the decisions of the General Shareholders' Meeting of May 7, 2019.

The foregoing also justifies the deviation from article 7.6. of the Belgian Corporate Governance Code that stipulates that no stock options are granted to Non-Executive Directors. Regarding the latter, and for the sake of completeness, reference is also made to the Annual Report on the consolidated financial statements drawn up on December 31, 2019, in which under the section "Compliance with the Corporate Governance Code" is stated:

"The company notes that according to Article 7.6 of the Belgian Corporate Governance Code (2020 edition), part of Non-Executive Directors' remuneration must be received in the form of shares in the Company."

The Company does not comply with this provision of the Code because it has no distributable reserves and consequently cannot acquire treasury shares in order to subsequently allocate them to directors.

In order to avoid any doubt on this matter, it is explicitly stated that the above statutory authorization of the Board of Directors to increase the capital and to issue convertible bonds or subscription rights within the framework of the authorized capital also explicitly provides for the operation as referred to in Article 7:200, 2° CCA.

4.7.2 Transactions with Affiliated Companies

Article 7:97 of the Belgian Companies Code (Article 524 of the old Belgian Companies Code) provides for a special procedure which must be followed for transactions with Oxurion's affiliated companies or subsidiaries. Such a procedure does not apply to decisions or transactions that are entered in the ordinary course of business at usual market conditions or for decisions and transactions whose value does not exceed one percent of the Company's consolidated net assets. According to Appendix 2 of the Corporate Governance Charter of the Company regarding transactions or other contractual relations between the Company including affiliated companies, and its directors and members of the Executive Team, such transactions need to be submitted to the Board of Directors.

4.7.3 Protocol regarding transactions with Related Parties

Transactions with related parties are exclusively with board members.

We refer to section 4.9 for the remuneration report concerning 2020.

4.7.4 Market Abuse regulations

Oxurion's Corporate Governance Charter Appendix 3 as published on its website describes the rules in place to prevent privileged knowledge being used illegally or the impression of such illegal use being created by directors, shareholders, members of the management and important employees (insiders).

The precautionary measures against insider trading include, among other things, the obligation to compose lists of insiders, the requirements concerning investment recommendations, the obligation to report insider transactions, and the obligation for the intermediary to report suspicious transactions. The measures are stipulated in Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014 on Market Abuse (Market Abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

In accordance with the EU Market Abuse Regulation, Oxurion has drawn up a list of persons in the Company who are employed or consulted for the Company and who have regular or occasional access to insider information

directly or indirectly concerning Oxurion. These lists are updated frequently and remain at the disposal of the FSMA for 5 years.

In accordance with the EU Market Abuse Regulation, the members of the Board of Directors and the management are obliged to report Oxurion stock transactions to the FSMA.

The Company has established a Disclosure Committee and has a Chief Compliance Officer.

4.8 CAPITAL INCREASE BY THE BOARD OF DIRECTORS WITH RESPECT TO THE AUTHORIZED SHARE CAPITAL AND PROVISIONS THAT MAY BE TRIGGERED IN THE EVENT OF A PUBLIC TAKEOVER ON THE COMPANY (ARTICLE 8:2 OF THE ROYAL DECREE OF APRIL 29, 2019 (ARTICLE 34 OF THE OLD ROYAL DECREE OF 14 NOVEMBER 2007))

(A) The Powers of the Board of Directors with Respect to the Authorized Share Capital

Article 46 of the Company's Articles of Association contains the following provisions with respect to the authorized share capital. The powers of the Board of Directors with respect to the authorized share capital were renewed at the extraordinary shareholders' meeting on May 24, 2019 for a period of five years starting from the publication of the deed of amendment of the Articles of Association in the Belgian Official Gazette (June 13, 2019). The Board is authorized to increase the share capital of the Company on one or more occasions up to an amount of 55,325,961 euro (less the authorized capital as to be used in the exercise of the subscription rights to be granted)through cash, in kind contribution, or by conversion of the reserves in accordance with Article 7:199 of the Belgian Companies Code.

(B) "Change of Control" Provision with Respect to Subscription Rights Issued by the Company

On December 4, 2014, the Company's extraordinary shareholders' meeting decided to issue an additional 720,000 subscription rights under the Warrant Plan 2014, of which 692,500 subscription rights have been allotted. Under this plan, 20,375 subscription rights have been exercised and 672,125 subscription rights have been forfeited. The remaining 27,500 subscription rights issued under Warrant Plan 2014 were not allotted. The subscription rights were valid until December 3, 2019.

The Warrant Plan 2014 contained the following "change of control" provision in the event of a public takeover on the Company:

"If the Company becomes subject to a public takeover bid, the allocated subscription rights will immediately vest and will be exercisable during an exercise period of thirty calendar days following the formal notification to the Company of the public takeover bid by the Financial Services and Markets Authority (FSMA)."

On November 20, 2017, the Company's extraordinary shareholders' meeting decided to issue an additional 1,440,000 subscription rights under the Warrant Plan 2017, of which 1,141,300 subscription rights have been allotted. Under Warrant Plan 2017 no subscription rights were exercised and 257,500 have been forfeited.

The Warrant Plan 2017 contains the same "change of control" provision in the event of a public takeover on the Company.

(C) "Change of Control" Provision with Respect to certain Management Agreements

On April 9, 2009, the Company's extraordinary shareholders' meeting approved, in accordance with Article 7:151 BCC (Article 556 old BCC), a "change of control" provision to be included in the management agreement of the senior managers. The agreements provide that if the Company becomes subject to a public takeover bid and the content of their respective management agreements would significantly change, compensation would be due based on who takes the initiative to end the contract. Where the Company takes the initiative, the senior manager is entitled to 18 months compensation, whereas if the manager ends the contract it would be 12 months.

4.9 REMUNERATION REPORT FINANCIAL YEAR 2020

This section of the Annual Report first provides an overview of the remuneration policy currently in place and included in the terms of reference of the Nomination and Remuneration Committee of the Board as applied in 2020 (the "current Remuneration Policy" or the "Current Policy"). This is followed by the remuneration report for 2020 applying the Current Policy.

The purpose of a Remuneration Report is to report on the remuneration paid by the Company in 2020 in accordance with the recent modifications to Belgian law (BCC, Article 7:89/1).

The purpose of a remuneration policy, on the other hand, is to provide the fundamental principles based on which the Company will remunerate the members of its Board of Directors, CEO, and Executive Committee on a going forward basis.

In accordance with Belgian law, the Company will adopt a new remuneration policy in 2021 (BCC, Article 3:6, §3) (when adopted the "2021 Remuneration Policy"). The 2021 Remuneration Policy was approved by the Board of Directors on March 17, 2021 on the recommendation by the Nomination and Remuneration Committee. At the Annual Meeting in May 2021, the Company will submit its 2021 Remuneration Policy to the shareholders for their approval, which if approved will apply for the next four years unless materially modified by the Board of Directors and approved by the shareholders.

4.9.1 Overview of Remuneration Policy

4.9.1.1 Executives

(A) Structure

Oxurion has an Executive Team, which includes the CEO and the executive directors. During fiscal year 2020, the only executive director was the CEO. The members of the Executive Team are appointed by the Board of Directors and in accordance with Oxurion's Corporate Governance Charter. The Executive Team has the power to propose and implement corporate strategy, taking into account the Company's values, its risk tolerance and key policies. The Executive Team is, among other things, entrusted with the running of the Company. The Executive Team does not constitute a management committee in the meaning of Article 07:104 of the Belgian Companies Code.

The Board of Directors has appointed the CEO of the Company. The powers of the CEO are defined by the Board of Directors in close consultation with the CEO. The CEO supervises the various activities and the central services of the Company.

The CEO is assisted by an Executive Committee, which provides informal support to the CEO but has no statutory delegated powers to represent the Company or to propose or implement corporate strategy.

Members of the Executive Team and the Executive Committee are all referred to in this Remuneration Report as "Executives".

(B) Remuneration of Executives

Oxurion's approach to remuneration of its Executives is geared at attracting, motivating and retaining highly qualified individuals with the necessary skill set and experience to ensure its continuing sustainable and profitable growth. As such, the Current Policy as well as the new policy are designed to support the retention and motivation of the Executives.

The total remuneration package for Oxurion Executives is made up of three components:

- fixed compensation, including pension and other benefits
- variable compensation based on achieving corporate objectives
- equity-based compensation in the form of subscription rights.

Fixed Compensation

Each Oxurion Executive is entitled to a fixed annual compensation package including pension and other benefits.

Variable Compensation

Executives are also entitled to variable compensation based on achieving annual corporate performance objectives. Performance criteria are determined on an annual basis by the Board of Directors on the advice of the Nomination and Remuneration Committee and in consultation with the Executive Team.

This variable component is an incentive linked to the achievement of annual corporate objectives. The level of achievement of each of the corporate objectives defines the total percentage of the target incentive amount that is paid. As it is typically annual in nature, this component qualifies as a short-term cash incentive.

The Current Policy gives the Nomination and Remuneration Committee and the Board broad discretion in granting short-term incentives and deciding whether they are achieved.

At the extraordinary shareholders meeting of November 20, 2017, it was decided that Oxurion would expressly deviate from the specific provisions of Art. 7:91 BCC concerning the spread of variable remuneration over time. The decision to do so was not considered to be exceptional in the biotech and pharmaceutical industry where such plans are common in order to ensure longevity.

Share Subscription Rights

The Company has granted subscription rights to Executives through various subscription rights plans (previously referred to as warrants). Subscription rights are granted according to rules set by the Board on the advice of the Nomination and Remuneration Committee. The eligibility for subscription rights is not linked to individual performance but rather is based on continued service to ensure that Executives have a long-term commitment to maximizing long-term shareholder value. Paragraph 5.7.10 gives more detailed information on the subscription right plans and outstanding subscription rights at the end of 2020 including the value per subscription right at the time of each grant applying the Black & Scholes valuation method.

The Company does not consider the subscription rights granted to Executives to be variable remuneration as defined by the Belgian Companies Code.

Oxurion does not provide for any performance-related premiums in shares, options or other rights to acquire shares.

Ownership of Shares

The Company is not able to make share grants as it does not have distributable reserves and therefore is not able to hold treasury shares and hence has not put in place any requirements for share ownership by the Board or by Executives.

Claw backs

In line with its remuneration policy, Oxurion does not operate any claw back arrangements in relation to remuneration paid to Executives.

The Company does not consider that it is necessary to apply claw back provisions and therefore deviates from 7.12 of the Corporate Governance Code on the basis that:

- the payout of the variable compensation, based on the achievement of corporate targets as set by the Board, is paid only upon achievement of the objective.
- the Company does not apply any other performance-based remuneration or variable compensation as the subscription rights granted to Executives vest over time and are not performance related.

Consequently, no claw back arrangements were applied during 2020.

4.9.1.2 Board of Directors

The procedure for establishing the remuneration policy and setting remuneration for members of the Board of Directors is determined by the Board of Directors on the basis of proposals from the Nomination and Remuneration Committee, taking into account relevant benchmarks with appropriate peer companies.

The remuneration of the Non-Executive Directors is submitted by the Board to the shareholders' meeting for approval and are only implemented after such approval.

The fixed and variable remuneration of the CEO (who is a member of the Board) is established by the Board of Directors based upon an authorization from the shareholders' meeting and described above. Executive Directors are not separately remunerated for their board role.

(A) Non-Executive Directors

Based on a peer review of the Directors' compensation against peer companies (Euronext listed biotech companies), the Company's Annual Shareholders' Meeting on May 7, 2019 approved a new remuneration and compensation scheme and decided to issue a subscription rights plan for Non-Executive Directors with the objective of avoiding disadvantages compared to competitors and peer companies.

In accordance with the policy terms decided by the shareholders, Non-Executive Directors are entitled to the following fees:

ROLES	ANNUAL FEES	AUDIT CO MEMBER	AUDIT CO CHAIR	NOM REM CO MEMBER	NOM REM CO CHAIR
Chairman	60,000				
Board Member	30,000	6,000	6,000	4,000	4,000

The Chairman of the Board does not receive any fees for his/her membership or chairmanship of any of the Committees. If a Director attends less than at least 75% of the scheduled annual Board or Committee meetings of which he or she is a member either in person or by phone, the fees are reduced on a pro rata basis. Where members attend Board meetings in person, they are entitled to reimbursement of reasonable out-of-pocket expenses actually incurred as a result of participation in meetings of the Board of Directors.

Apart from the above remuneration, the shareholders decided at the Annual General Meeting in May 2019 that Non-Executive Directors should be entitled to subscription rights for 7,500 shares in the Company per year. This was implemented by decision of the Board of Directors to adopt a Board Subscription Rights Plan 2020 for 150,000 shares before the Public Notary on December 23, 2020. These rights are not subject to any vesting criteria and can be freely exercised during any exercise period for the life of the Plan. The Company does not consider them to be variable compensation.

The Company recognizes that the new Belgian Corporate Governance Code recommends against granting subscription rights to Board Members, but at the same time advises companies that Board Members should own shares of the Company. Oxurion is not able to grant shares to its directors because it does not have distributable reserves and cannot own treasury shares. Therefore, the Company considers that the grant of subscription rights to Non-Executive Directors that vest on grant operates as closely as possible to a share. The shareholders have already expressly agreed to the grant of subscription rights to the Board and will be submitted again at the 2021 Annual General Meeting as part of the 2021 Remuneration Policy.

The Board remuneration structure encourages an active participation in both Board and Committee meetings. The fixed remuneration for the Non-Executive Board members is justified by the fact that the proper operation of these Committees requires adequate preparation by the members. The grant of subscription rights to Non-Executive Directors further aligns the director's interests with those of the shareholders and allows the Company to attract and retain top quality board members.

The objective and independent judgment of the Non-Executive Directors is further encouraged by the fact that they do not draw any other remuneration from the Company other than their fixed Directors' remuneration and their subscription rights, except for David Guyer who provides additional ad hoc consultancy services.

The remuneration of the Non-Executive Directors does not contain a variable component; hence no performance criteria apply to the remuneration of the Non-Executive Directors.

The Directors' mandate may be terminated "ad nutum" (at any time) without any form of compensation.

(B) Executive Directors

Executive Directors are not compensated for their role on the Board of Directors in addition to the compensation they receive as Executives.

4.9.2 Remuneration report

4.9.2.1 Executives

(A) Total Remuneration Summary for Executives

This Remuneration Report covers Oxurion Executives, including the CEO (also referred to in other parts of this Annual Report as the Executive Team) and the Executive Committee. During fiscal year 2020, the Executive Committee was made up the following Executives (plus the CEO):

- Julie Binon – Chief People Officer
- Dr. Grace Chang – Chief Medical Officer (beginning in August 2020)
- Dr. Andy De Deene – Chief Development Officer
- Tom Graney – Chief Financial Officer (beginning in October 2020)
- D&V Consult BV represented by Dominique Vanfleteren – Chief Financial and Compliance Officer (until the YE 2020)
- Midico BV represented by Michaël Dillen – Chief Corporate Development Officer and Company Secretary (beginning in March 2020)
- Paisley BV represented by Kathleen Paisley – Chief Legal Officer (beginning in January 2020)
- Panéga BV represented by Jean Feyen – Chief Scientific Officer
- Vinciane Vangeersdaele – Chief Commercial Officer (until September 2020)

During the course of 2020, a number of changes were made to the Executive Committee members. The global remuneration figures included in this Remuneration Report for the Executive Committee for fixed compensation, other benefits and pensions include amounts paid to all members of the Executive Committee and relating to the 2020 financial year in euros. The amounts included for variable compensation are those relating to the financial year regardless of when they were paid. Further, the fixed remuneration for Executives and Board Members in 2020 reflects a 20% reduction from April-June 2020 due to the impact of COVID-19.

Following new reporting standards, the overview below demonstrates the total remuneration of the CEO and Executive Committee members in 2020 in euros:

NAME AND TITLE	FIXED COMPENSATION	OTHER BENEFITS	PENSION	VARIABLE COMPENSATION	TOTAL	RATIO OF FIXED TO VARIABLE COMPENSATION
ViBio, CEO	455,000	0	0	0	455,000	0%
Executive Committee	1,549,000	78,000	47,000	0	1,674,000	0%

(B) Fixed Remuneration

The table below reflects the base compensation, pension and other benefits for the CEO and Executive Committee members in 2020 in euros:

NAME AND TITLE	BASE COMPENSATION	OTHER BENEFITS	PENSION BENEFITS	REDUCTION FOR COVID-19	TOTAL
ViBio, CEO	476,000	0	0	(21,000)	455,000
Executive Committee	1,608,000	78,000	47,000	(59,000)	1,674,000

Base Compensation. Each Oxurion Executive is entitled to base compensation in line with his/her position. For 2020, these payments reflect a 20% reduction from April to June 2020 in a total amount of 80,000 due to the impact of COVID-19. We refer to section 5.5.9.

Other Benefits. Depending on their location and status, Executives may be entitled to statutory benefits plus a contribution to a healthcare plan, a company car, and/or similar arrangements. These amounts can vary from year-to-year but are reported here due to their recurring nature.

Pension. Depending on their location and status, Executives may receive defined contribution benefits under Oxurion's group insurance plan or through matching arrangements under 401 (k) plans in the United States. These amounts can vary from year-to-year but are reported here due to their recurring nature.

(C) Variable Compensation

In 2020, no variable compensation was paid to the CEO or to the Executive Committee.

Under the Remuneration Policy, variable compensation is based on key corporate objectives agreed between the Executive Team and the Nomination and Remuneration Committee and approved by the Board of Directors at the beginning of the year.

For 2020, the performance criteria included elements related to clinical trial progression, cash position and corporate development. In light of the force majeure circumstances related to the pandemic, the Board decided, based on the advice of the Nomination and Remuneration Committee, to defer the 2020 bonus to 2021 and make the payment of all (or part) of the 2020 variable compensation dependent on the achievement of the corporate objectives set for 2020 and 2021 as a whole. This decision was taken under the broad discretion granted to the Board and the Nomination and Remuneration Committee with respect to the payment of variable compensation under the Current Policy and in light of the unforeseen impact of COVID-19 on the Company.

(D) Subscription Rights

The Executives are also entitled to participate in the different subscription rights plans that Oxurion has in place.

In respect of 2020, the following grants to Executives were made and accepted:

NAME	NUMBER OF SUBSCRIPTION RIGHTS	DATE OF GRANT	PLAN	EXERCISE PRICE
Julie Binon	25,000	June 2020	2017 Warrant Plan	2.847
Grace Chang	10,000	August 2020	2017 Warrant Plan	2.80

All the rights granted in 2020 were granted under the 2017 Plan where half of the subscription rights vest after two years, and the other half after three years. Ms. Binon's grant was made in June applying the Policy that Executives who start working in the first half of the year can be granted their subscription rights mid-year grant and Dr. Chang's grant was for sign-on and was related to her start date.

These grants were made under the 2017 Warrant Plan adopted at the Extraordinary General Meeting of Oxurion NV on November 20, 2017. Subscription rights could be granted under this plan for three years from the date of issue, hence subscription rights issued under the 2017 Plan could be granted only until November 19, 2020.

The Company is currently in the process of developing a new Subscription Rights Plan in line with the 2021 Remuneration Policy, which is expected to be adopted in first half of 2021.

As the Company did not have additional subscription rights to issue to Executives in 2020 under the 2017 Plan, the 2020 subscription rights for the other Executives will be granted under the new 2021 Plan, which is expected to be implemented in the first half of 2021. As a result, in 2021, Executives will be entitled to subscription rights related to fiscal year 2020 under the new plan.

No subscription rights were exercised by Executives in 2020.

The chart below indicates the subscription rights of Executives that vested during 2020:

NAME	NUMBER OF SUBSCRIPTION RIGHTS VESTED	DATE OF VESTING	PLAN-GRANT DATE	STRIKE PRICE
ViBio BV	50,000	Dec 2020	2017 plan – Dec 2017	4.593
ViBio BV	50,000	Dec 2020	2017 plan – Dec 2018	4.593
Claude Sander	12,500	Dec 2020	2017 plan – Dec 2017	3.380
Claude Sander	12,500	Dec 2020	2017 plan – Dec 2018	3.4
D&V Consult BV	12,500	Dec 2020	2017 plan – Dec 2017	4.593
D&V Consult BV	12,500	Dec 2020	2017 plan – Dec 2018	4.593
Panéga BV	12,500	Dec 2020	2017 plan – Dec 2017	4.593
Panéga BV	12,500	Dec 2020	2017 plan – Dec 2018	4.593
Vinciane Vangeersdaele	12,500	Dec 2020	2017 plan – Dec 2017	3.380
Andy De Deene	12,500	Dec 2020	2017 plan – Dec 2018	3.4

All the rights that vested in 2020 were granted under the 2017 plan where half of the subscription rights vest after 2 years, and the other half after three years.

The following subscription rights of Executives were forfeited in 2020:

NAME	NUMBER OF SUBSCRIPTION RIGHTS VESTED	DATE OF VESTING	PLAN-GRANT DATE	STRIKE PRICE
D&V Consult BV	12,500	Dec 2020	2017 plan – Dec 2018	4.593
D&V Consult BV	25,000	Dec 2020	2017 plan – Dec 2019	4.593

All the rights that were forfeited in 2020 were granted under the 2017 plan where half of the subscription rights vest after 2 years, and the other half after three years.

(E) Rationale of Variable to Fixed Compensation

As set forth above, in light of the force majeure situation related to the pandemic, the Board decided, based on the advice of the Nomination and Remuneration Committee, to defer the 2020 bonus to 2021 and make the payment of all (or part) of the 2020 variable compensation dependent on the achievement of the corporate objectives set for 2020 and 2021 as a whole.

(F) 2020 Executive Remuneration in line with Current Remuneration Policy

The remuneration for 2020 is in line with the Current Remuneration Policy and thus contributed to the long-term performance of the company as intended by the current Remuneration Policy (as set out above).

4.9.2.2 Directors' remuneration

(A) Non-Executive Directors

1. CASH COMPENSATION

The 2020 remuneration of the Non-Executive Directors and the Chairman of the Board of Directors is set forth in the chart below. Note that no benefits are provided to members of the Board.

NAME	ANNUAL FEES	AUDIT CO MEMBER	AUDIT CO CHAIR	NOM REM CO MEMBER	NOM REM CO CHAIR	TOTAL	COVID-19 REDUCTION	PAYMENTS
Chairman, Thomas Clay	60,000	Unpaid			Unpaid	60,000	(2,636)	57,364
Investea SRL, represented by Emmanuèle Attout	30,000	6,000	6,000			42,000	(1,845)	40,155
Philippe Vlerick	30,000	6,000				36,000	(1,582)	34,418
Dr. Adrienne Graves	30,000			4,000		34,000	(1,494)	32,506
Dr. David Guyer	30,000			4,000		34,000	(1,494)	32,506

These payment totals reflect a 20% reduction in a total amount of approximately 9,000 euro from April-June 2020 due to the impact of COVID-19. We refer to section 5.5.9.

David Guyer received, besides his Director's remuneration, compensation of 35,000 euro for consultancy services in 2020.

2. SHARE SUBSCRIPTION RIGHTS

Given that the 2020 Subscription Rights Plan for Non-Executive Directors was only adopted on December 23, 2020, no subscription rights were granted to the members of the Board under the plan in 2020. It is anticipated that in 2021 15,000 subscription rights will be granted to each member of the Board relating to 2019 and 2020.

(B) Executive directors

The executive director, Patrik De Haes (ViBio BV), does not receive any compensation for his board mandate. The compensation paid to ViBio BV, represented by Patrik De Haes, in respect of his CEO /Executive Team responsibilities is outlined above.

3. EVOLUTION OF EXECUTIVES REMUNERATION AND AVERAGE EMPLOYEE REMUNERATION AND PAY RATIO

(A) Evolution of Executives remuneration and average employee remuneration

The chart below shows the evolution of the Executive Remuneration, share price (as a proxy for Company performance) and average remuneration:

NAME AND TITLE	TOTAL REMUNERATION	
	2019	2020
ViBio, CEO	557,000	455,000
Change year on year		-18.3%
Non-Executive Directors	206,000	196,949
Change year on year		-4.4%
Executive Committee	1,472,000	1,674,000*
Change year on year		+13.7%
Share Price at YE	2.95	2.56
Change year on year		-13.2%
Average Compensation per FTE	107,000	102,000
Change year on year		-4.67%

*The increase in Executive Committee remuneration in 2020 is primarily related to the Company's appointment of a Chief Medical Officer, which added an additional member to the Executive Committee, and to the fact that the Chief Medical Officer and the Chief Financial Officer are now based in the United States where comparable compensation is higher.

The amounts for remuneration include fixed and variable remuneration, pension and other benefits.

(B) Ratio of the Total Remuneration of Highest Paid versus Lowest Remunerated Personnel

The ratio of the 2020 remuneration of the lowest fulltime FTE (in euro) to the highest fulltime FTE (in euro), was 1:15.

The remuneration used to calculate the ratio included fixed and variable remuneration, employee benefits, and the value of subscription rights vesting during the period based on the Black & Scholes valuation of the subscription right on the date of vesting.

Extraordinary Items

Severance Payments

During 2020, two members of the Executive Committee left the Company.

- Vinciane Vangeersdaele, Chief Commercial Officer, left the Company on September 30, 2020 when the commercialization of JETREA® was transferred to Inceptua and was paid approximately 3 months compensation in line with applicable rules in relation to departures for organizational reasons.
- D&V Consult, represented by Dominique Vanfleteren, left the Company on December 31, 2020. The Board on the recommendation of the Nomination and Remuneration Committee decided to compensate D&V Consult 6 months' severance to ensure a proper handover of his compliance and financial function, and he will also be paid for the services he performs in 2021.

CONSOLIDATED FINANCIAL STATEMENTS

5

5.1 CONSOLIDATED STATEMENT OF PROFIT AND LOSS

IN '000 EURO (FOR THE YEAR ENDED 31 DECEMBER)	NOTE	2020	2019
Income		2,078	3,946
Sales	5.6.1	2,000	3,820
Income from royalties	5.6.1	78	126
Cost of sales	5.6.2	-550	-2,259
Gross profit		1,528	1,687
Research and development expenses	5.6.3	-22,053	-25,709
General and administrative expenses	5.6.4	-5,489	-6,324
Selling expenses	5.6.5	-3,252	-6,955
Other operating income	5.6.6	777	2,022
Other operating expense		-6	-4
Impairment losses	5.7.3	-125	-16,891
Operating result		-28,620	-52,174
Finance income	5.6.7	468	495
Finance expense	5.6.8	-408	-407
Result before income tax		-28,560	-52,086
Taxes	5.6.10	0	-17
Result of the year		-28,560	-52,103
Attributable to:			
Equity holders of the company		-28,012	-51,827
Non-controlling interest		-548	-276
Result per share			
Basic earnings / loss (-) per share (euro)	5.6.11	-0.75	-1.36
Diluted earnings / loss (-) per share (euro)	5.6.11	-0.75	-1.36

IN '000 EURO (AS AT 31 DECEMBER)	NOTE	2020	2019
Result of the year		-28,560	-52,103
Exchange differences on translation of foreign operations and remeasurement DBP		-424	-342
Other comprehensive income, net of income tax		-424	-342
Other comprehensive income that will not be reclassified to profit or loss		-424	-342
Total comprehensive loss (-) / income for the year		-28,984	-52,445
Attributable to:			
Equity holders of the company		-28,436	-52,169
Non-controlling interest		-548	-276

The accompanying notes from section 5.5 to 5.7 form integral part of these Consolidated Financial Statements

5.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN '000 EURO (AS AT 31 DECEMBER)	NOTE	2020	2019
ASSETS			
Property, plant and equipment	5.7.1	230	340
Right-of-use assets	5.7.2	1,069	2,212
Intangible assets	5.7.3	2,127	1,982
Other non-current assets		96	96
Non-current tax credit	5.7.4	3,708	3,385
Non-current assets		**7,230**	**8,015**
Inventories	5.7.5	85	20
Trade and other receivables	5.7.4	1,451	3,592
Current tax receivables	5.7.4	719	467
Investments	5.7.6	288	10,444
Cash and cash equivalents		24,511	42,492
Current assets		**27,054**	**57,015**
Total assets		**34,284**	**65,030**
EQUITY AND LIABILITIES			
Share capital	5.7.9	44,913	100,644
Share premium	5.7.9	0	0
Cumulative translation differences		-1,039	-615
Other reserves	5.7.10	-6,133	-12,122
Retained earnings		-12,561	-34,747
Equity attributable to equity holders of the company		**25,180**	**53,160**
Non-controlling interest		-132	146
Total equity		**25,048**	**53,306**
Lease liabilities		447	1,335
Employee benefit liabilities	5.7.11	1,096	801*
Non-current liabilities		**1,543**	**2,136**
Trade payables		4,377	4,725
Lease liabilities		649	898
Other short-term liabilities	5.7.7	2,667	3,965*
Current liabilities		**7,693**	**9,588**
Total equity and liabilities		**34,284**	**65,030**

* 801k euro related to Oxurion's employee benefits has been reclassed in the 2019 consolidated statement of financial position from current liabilities to non-current liabilities for comparative reasons.

The accompanying notes from section 5.5 to 5.7 form integral part of these Consolidated Financial Statements

5.3 CONSOLIDATED STATEMENT OF CASH FLOWS

IN '000 EURO (FOR THE YEAR ENDED 31 DECEMBER)	NOTE	2020	2019
Cash flows from operating activities			
Loss for the period		-28,560	-52,103
Finance expense	5.6.8	408	407
Finance income	5.6.7	-468	-495
Depreciation of property, plant and equipment	5.7.1	194	330
Amortization and impairment of intangible assets	5.7.3	125	18,468
Amortization of right-of-use assets	5.7.2	916	864
Gain on sale of property, plant and equipment		-7	0
Equity settled share-based payment transactions	5.6.9	458	440
Decrease in trade and other receivables including tax receivables and inventories		1,501	1,082
Increase / Decrease (-) in short-term liabilities		-1,646	-432*
Net cash flows generated / used (-) in operating activities		*-27,079*	*-31,439*
Cash flows from investing activities			
Disposal of property, plant and equipment (following a sale)	5.7.1	35	77
Decrease / Increase (-) in investments	5.7.6	10,154	10,033
Interest received and similar income	5.6.7/8	-6	4
Purchase of property, plant and equipment	5.7.1	-119	-133
Purchase / divestment (-) of other non-current assets		0	31
Net cash flows generated / used (-) in investing activities		*10,064*	*10,012*
Cash flows from financing activities			
Principal paid on lease liabilities	5.7.2	-903	-843
Interest paid on lease liabilities	5.7.2	-16	-24
Proceeds from capital and share premium increases from exercise of subscription rights	5.7.10	0	0
Paid interests	5.6.8	-12	-10
Net cash flows used (-) / generated in financing activities		*-931*	*-877*
Net change in cash and cash equivalents		-17,946	-22,304
Net cash and cash equivalents at the beginning of the period		42,492	64,652
Effect of exchange rate fluctuations		-35	144*
Net cash and cash equivalents at the end of the period		24,511	42,492

* 369k euro relating to Oxurion's employee benefits has been reclassed in the 2019 consolidated statement of cash flows for comparative reasons following a balance sheet reclass.

The accompanying notes from section 5.5 to 5.7 form integral part of these Consolidated Financial Statements

5.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL	SHARE PREMIUM	CUMULATIVE TRANSLATION DIFFERENCES AND REVALUATION RESERVE	OTHER RESERVES	RETAINED EARNINGS	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	NON-CONTROLLING INTEREST	TOTAL
Balance as at 1 January 2019	137,564	13	-273	-12,563	-19,853	104,888	422	105,310
Result of the year 2019	0	0	0	0	-51,827	-51,827	-276	-52,103
Change to foreign currency translation difference and revaluation reserve	0	0	-342	0	0	-342	0	-342
Net change in fair value of investments	0	0	0	1	0	1	0	1
Issue of ordinary shares	0	0	0	0	0	0	0	0
Capital decrease	-36,920	-13	0	0	36,933	0	0	0
Share-based payment transactions	0	0	0	440	0	440	0	440
Balance as at 31 December 2019	100,644	0	-615	-12,122	-34,747	53,160	146	53,306
Balance as at 1 January 2020	100,644	0	-615	-12,122	-34,747	53,160	146	53,306
Result of the year 2020	0	0	0	0	-28,012	-28,012	-548	-28,560
Change to foreign currency translation difference and revaluation reserve	0	0	-424	0	0	-424	0	-424
Net change in fair value of investments	0	0	0	-2	0	-2	0	-2
Issue of ordinary shares	0	0	0	0	0	0	270	270
Capital decrease	-55,731	0	0	5,533	50,198	0	0	0
Share-based payment transactions	0	0	0	458	0	458	0	458
Balance as at 31 December 2020	44,913	0	-1,039	-6,133	-12,561	25,180	-132	25,048

The accompanying notes from section 5.5 to 5.7 form integral part of these Consolidated Financial Statements

5.5 GENERAL NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5.5.1 Reporting entity

Oxurion NV is a Naamloze Vennootschap (limited company) established under Belgian law with its registered office at Gaston Geenslaan 1, B-3001 Leuven, with two subsidiaries - ThromboGenics, Inc. and Oncurious NV. The Oxurion NV Group (the 'Group') are biopharmaceutical companies focusing on the development of new drugs for the treatment of eye diseases and cancer. The Group has built a pipeline of drug candidates, a number of which are at the clinical study stage. The Group's research and development facilities are located in Belgium.

The consolidated financial statements of Oxurion NV for the year ending December 31, 2020 include Oxurion NV and its subsidiaries ThromboGenics, Inc. and Oncurious NV.

These consolidated financial statements were approved by the Board of Directors on April 1, 2021. Possible changes to this financial report can be carried out until the Annual General Meeting of May 4, 2021.

5.5.2 Application of new and revised standards and interpretations to the consolidated financial statements

New Standards, Interpretations and Amendments adopted by the Group

During 2020, 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 December 31, 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:

- 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 - Phase 1 (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 year

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 per December 31, 2020 and/or not yet adopted by the European Union as per December 31, 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) *
- IAS 1 Presentation of Financial Statements – Amendments regarding the classification of liabilities (January 2020) * and Amendment to defer the effective date of the January 2020 amendments (July 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) *
- IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform - Phase 2 (August 2020) *

** Not yet endorsed by the EU as of December 31, 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 December 31, 2020 and/or not yet adopted by the EU as per December 31, 2020, are expected to have a material effect on the Group's future financial statements.

5.5.3 Basis of preparation and significant accounting policies used to draw up the financial statements

The main bases adopted when preparing these consolidated financial statements are set out below.

(A) STATEMENT OF COMPLIANCE

These consolidated financial statements were prepared in accordance with the "International Financial Reporting Standards" (IFRS) as issued by the "International Accounting Standards Board" (IASB) and adopted by the EU (hereinafter referred to as "IFRS"). The consolidated financial statements are presented in thousands of euro except per share amounts which are in euro.

(B) BASIS OF MEASUREMENT

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- financial instruments at fair value through OCI are measured at fair value;
- the expense recognized for equity-settled share-based payment plans is based on the grant date fair value of the subscription rights granted;
- defined benefit pension plans, for which the assets are measured at fair value and the defined benefit obligation is measured according to the projected unit credit method.

(C) GOING CONCERN

The consolidated financial statements were prepared on a going concern basis.

Management has assessed the Group's ability to continue as a going concern through preparation of the budgets and cash flow forecasts for the years 2021 and 2022. These forecasts reflect the strategy of the Group and include significant expenses and cash outflows in relation to the development of selected research programs and its pipeline of products candidates.

At December 31, 2020 the Group has cash and cash equivalents (including investments) of 24.8 million euro in comparison with 52.9 million euro at December 31, 2019. The cash balance is sufficient to fund operations into the fourth quarter of 2021. This had the potential to create a material uncertainty about the continuity of operations. However, the Group has secured access to committed equity funding until at least mid-2022. According, the Board of Directors decided to continue its valuation rules under the assumption of going concern.

(D) BASIS OF CONSOLIDATION

Subsidiaries

The consolidated financial statements include all the entities that are controlled by the Group. Control exists when Oxurion NV directly or indirectly has the ability to direct the relevant activities that significantly affect the entities' returns, has exposure or rights to variable returns and the ability to use its power over the entity to affect investors' returns, Control is presumed to exist when Oxurion NV owns, directly or indirectly, more than 50 percent of the voting rights linked to the share capital. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Applying this standard, Oxurion NV's subsidiaries ThromboGenics, Inc. and Oncurious NV have been consolidated.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

Intra-group transactions, balances and unrealized profits and losses on transactions between companies in the group are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized profits unless the transaction indicates an impairment loss on the assets transferred. The accounting principles of the subsidiaries have been adjusted where necessary to be consistent with the principles adopted by the Group.

(E) BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for by applying the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred as measured at fair value on the acquisition date and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. The cost is attributed to the identifiable assets, liabilities and contingent liabilities of the acquiree. These acquired identifiable assets and (contingent) liabilities are initially measured at their fair value on the date of acquisition.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests) and any previous interest held over the identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the profit or loss.

(F) FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The consolidated financial statements are presented in thousands of euro, which is the functional currency of Oxurion. All companies within the Group use the euro as their functional currency, except for the US subsidiary, whose functional currency is the US dollar (USD).

Transactions and balances in foreign currencies

Transactions in currencies other than the functional currency of the entities are recorded at the exchange rates prevailing on the date of the transaction. On each balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing on the balance sheet date. Exchange rate differences relating to monetary items include the difference between the amortized costs in the functional currency at the start of the period, adjusted for the actual interest (payments) during the period, and the amortized costs of foreign currencies are translated at the exchange rate at the end of the period. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency by the Company's entities are translated using the exchange rates at the dates of the initial transactions. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing on the date when the fair value was determined. Gains and losses arising on retranslation are included in the net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities at fair value where the fluctuations in fair value are recognized directly in equity.

Foreign operations

On consolidation, the assets and liabilities including goodwill and fair value adjustments arising on consolidation of the Group's foreign operations are translated at the exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange rate differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognized as income or expense items in the period in which the operation is disposed of.

(G) REVENUE RECOGNITION

Revenue recognition for Oxurion consists of JETREA® vial sales to distributors, royalties for JETREA® vial sales from licensees, occasional upfront and milestone payments agreed through license or collaboration contracts which could include recharging of incurred services of cost, and royalties.

JETREA® sales

Performance obligations

Oxurion has identified one performance obligation within its customer contracts for the sale of JETREA® product, i.e. the delivery of goods to its customers.

Timing of revenue recognition

Oxurion recognizes revenue upon delivery of the goods to the customers as that is the moment the customer obtains control over the goods.

Transaction price – variable consideration

The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The sales prices are fixed in the contract. However, some contracts provide customers with a right of return and rebates.

Oxurion accepts returns in certain limited cases, and they need to be approved by Oxurion in order to be processed by the distributors. The amount of revenue recognized is the amount allocated to the satisfied performance obligation taking into account variable consideration (incl. expected returns). The estimated amount of variable consideration is included in the transaction price only to the

extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is estimated on the basis of historical experience and the specific terms in the individual agreements. A liability is recognized for expected sales returns, rebates, trade and cash discounts, charge-backs or other reimbursements payable directly or indirectly to customers in relation to sales made until the end of the reporting period. Oxurion applies the 'expected value method' in order to estimate such return accruals, and related asset.

Oxurion does not offer warranties, customer loyalty point programs or any material financing component to its customers. Oxurion has not received any non-cash consideration. There are no costs to acquire customer contracts, or costs to fulfill the customer contracts. Therefore, contract balances are only recognized to the extent of accounts receivable, and refund liability (return accrual).

Royalty revenue on JETREA® sales

In the case of one distributor, royalties are generated under license agreements based on licensee's sales of JETREA® products to the end-customers. As explained above, revenue from the sale of goods is recognized at the moment of delivery to the distributor. However, the agreement stipulates that the royalty is earned once the distributor subsequently sells the product to the end-customer. Therefore, the royalty revenue is recognized once the product is sold to the end-customer, based on quarterly invoicing data. There is no specific performance obligation for Oxurion to satisfy in order to be entitled to this royalty.

Occasional upfront, milestone and other payments

Revenue is only recognized at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the satisfied performance obligation. A performance obligation is satisfied when the control of goods or services is transferred to a customer. Any upfront payments or license fees for which there are subsequent performance obligations, are initially reported as deferred revenue and are recognized as revenue when performance obligations are satisfied over the period of the development, collaboration or manufacturing obligation.

(H) RESEARCH GRANTS

On certain specific research projects, the research costs incurred are partially reimbursed by VLAIO (Flanders Innovation & Entrepreneurship - Vlaams Instituut Innoveren en Ondernemen), formerly known as IWT (Agency for Innovation by Science and Technology in Flanders – Agentschap voor Innovatie door Wetenschap en Technologie in Vlaanderen). In line with IAS 20 "Government grants", these grants are recognized as government grant income over the term of the project for which the grant was given when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received. Grants that compensate the Company for expenses incurred are deducted from the 'Research and Development Expenses' on a systematic basis in the same period in which the expenses are incurred.

Oxurion has a track record of more than 10 years with these types of projects for which it receives grants from VLAIO. Grants are provided to Oxurion in order to support certain R&D activities. Activities, related budget and types of costs that will be paid are defined in the grant agreement. Over the course of the project, Oxurion reports on the status of activities and incurred expenditure to VLAIO on a regular (quarterly) basis in order to receive grant advances. The final assessment is performed by VLAIO at the end of the project in order to determine the final grant amount. Projects can take on average between 2 to 5 years.

Over the course of funded projects, Oxurion is confident that all activities performed will not deviate from the agreed scope, and that the final grant amount will not deviate from the initially agreed amount (except in a limited number of cases when Oxurion had finalized the project earlier and did not spend the whole budget but has still received the grant based on actual expenditure). Overall, Oxurion is confident that the reasonable assurance as defined in the standard is reached over the course of the project for the amounts spent up to that moment, as the only condition attached to the grant is to perform R&D activities in line with the agreed-upon scope and in line with the set budget. There are no other conditions attached to the grants and the outcome of R&D activities does not impact the decision of VLAIO whether the final grant will be received or not.

(I) INTANGIBLE ASSETS

Internally generated intangible assets

Research costs are charged to the income statement as incurred.

An internally generated intangible fixed asset (see note 5.7.3) which arises from development activities undertaken in the Group is recognized only if all of the following conditions are met:

- Technical possibility of making the intangible asset ready for use;
- The intention is to complete the intangible asset and use or sell it;
- Possibility of using or selling the intangible asset;
- It is probable that the intangible asset will generate future economic benefit or demonstrate the existence of a market;
- Availability of adequate technical and financial resources to complete the development; and
- Availability to reliably measure the attributed expenses for the intangible asset during development.

The patent costs for protecting the intangible assets are recognized as an expense.

Where the criteria for capitalization of the development expenses are not met, these expenses are recorded as incurred during the period.

After their initial recording on the balance sheet intangible assets are valued at cost less accumulated depreciation and accumulated impairment losses. Amortization of capitalized development costs are recognized in the income statement under 'Research and Development Expenses'.

The capitalized costs of the patent are amortized over the life of the patent as of the moment that it would generate revenue.

Software licenses are amortized over 3 years.

Externally acquired intangible assets and outsourced R&D costs

Payments made to third parties for subcontracted R&D, where there is no transfer of intellectual property to Oxurion, are expensed as internal R&D expenses in the period in which they are incurred. Such payments are only capitalized if they meet the criteria for recognition of an internally generated intangible asset, as indicated above.

Oxurion has entered into various contracts for the acquisition of licenses to intellectual property or third-party know-how, as disclosed further in note 5.8 under the key arrangements section. These assets are typically acquired for consideration including upfront, milestone and royalty payments.

Upfront payments made to third parties to in-license or acquire intellectual property rights, patents, compounds, products and know-how technologies to be used in R&D activities, are capitalized as costs paid for a separately acquired intangible asset under IAS 38.

The related milestone payments can only be capitalized if they meet the criteria for recognition of an internally generated intangible asset.

Royalties paid/payable for acquired intellectual property are accrued for in line with the underlying sales and recognized under the cost of sales.

(J) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are included at the historical cost (material costs only) less accumulated depreciation and impairment. Subsequent costs are included in the carrying amount for the asset or booked as a separate asset as appropriate, but only when it is probable that future economic benefits associated with the item will be generated for the Group and the cost price of the item can be measured reliably. All other repair and maintenance costs are charged to the income statement as incurred. The cost of assets retired or otherwise disposed of, and the related accumulated depreciation, are included in the income statement as part of the gain or loss on disposal in the year of disposal. Gains and losses on disposal of property, plant and equipment are included in other income or expense.

Depreciation is calculated using the straight-line method to allocate the cost of property, plant and equipment to their estimated residual values over their estimated useful lives as follows:

- Property, plant and equipment: 3 to 5 years
- Furniture and fittings: 3 to 5 years

The depreciation methods, useful life and residual value are revalued on each reporting date.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part replaced will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(K) LEASED ASSETS

IFRS 16

The Group has adopted IFRS 16 retrospectively from January 1, 2019 but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening balance sheet on January 1, 2019.

When applying IFRS 16 for the first time, the Group has used the following practical means permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- the accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group leases various offices, copiers and cars. Rental contracts are typically made for fixed periods of 3 to 4 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property, plant and equipment were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From January 1, 2019, leases are recognized as right-of-use assets and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of these asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities are exclusively composed of fixed payments less any lease incentives receivable.

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liability and any lease payments made at or before the commencement date.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases comprise of some car leases and are leases with a lease term of 12 months or less. Low-value assets only comprise of one copier.

We refer to note 5.7.2 for more information.

(L) IMPAIRMENT LOSSES ON GOODWILL, INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Intangible assets with an indefinite useful life or not yet available for use and goodwill are not subject to amortization but are tested annually for impairment or if there is an indication that an asset may be impaired.

Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less the costs to sell the asset and its value in use. These values are generally determined based on discounted cash flow calculations. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit pro rata to the carrying amount of each asset in the unit. An impairment loss recognized for goodwill cannot be reversed in a subsequent period. For assets other than goodwill, where an impairment loss is subsequently reversed, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable value, but in such a way that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been included for the asset (cash-generating unit) in prior years. The reversal of an impairment loss is included immediately in the income statement.

(M) INCOME TAXES

Income tax expenses in the income statement comprise the tax currently payable.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported on the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted on the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet method.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realized. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(N) EMPLOYEE BENEFIT PLAN

Short-term employee benefits

Liabilities for wages and salaries that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Pension benefits

Starting July 1, 2009, the Group changed the defined benefit pension plan into a new defined contribution pension plan. All acquired rights up to June 30, 2009 are retained. Therefore, the Group has two pension plans: (i) the initial defined benefit plan and (ii) the pension plan, which is a defined contribution plan in structure.

The assets of both plans are held in separate trustee-administered funds.

According to the Belgian legislation applicable to the second pillar pension plans (the minimum guaranteed return under the so-called "Law Vandenbroucke"), all Belgian pension plans that are structured as defined contribution plans are considered defined benefit plans under IFRS and therefore are accounted for as such.

Because of this minimum guaranteed return, the employer is exposed to a financial risk since further contributions could be required if the return on the assets is not sufficient to reach the minimum benefits to be paid.

The Group's commitments under defined benefit plans, and the related costs, are measured using the "projected unit credit method" with actuarial valuations being carried out at each balance sheet date by a qualified actuary. Past service cost is included immediately to the extent that the benefits are already vested, and otherwise the service is amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the net total of unrecognized actuarial losses and past service cost, plus the present value of future available refunds and reductions in future contributions to the plan.

No other long- or short-term benefits are granted to employees.

Share-based compensation

The Group operates equity-settled, share-based compensation plans through which it grants share subscription rights (giving the holder the right to subscribe to a specific number of shares in accordance with the share option plan, hereafter referred to as 'subscription rights') to the Executive Team and to personnel. The fair value of the employee services received in exchange for the granting of the subscription rights is recognized as an expense over the vesting period with a corresponding increase in equity. In addition, on December 23, 2020, the Company adopted the Board Subscription Rights plan 2020 for Non-Executive Directors.

The total amount to be expensed over the vesting period is determined by reference to the fair value at the date on which the subscription rights are granted, measured using the Black & Scholes model, taking into account the term and conditions upon which the subscription rights were granted excluding the impact of any non-market vesting conditions. At each balance sheet date, the entity revises its estimates of the number of subscription rights that are expected to become exercisable except where forfeiture is only due to shares not achieving the threshold for vesting. It recognizes the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the subscription rights are exercised.

(O) FINANCIAL INSTRUMENTS

(a) Financial assets

INITIAL RECOGNITION AND MEASUREMENT

Financial assets are classified, at initial recognition, and subsequently measured, at either amortized cost, fair value through other comprehensive income (OCI) or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component are measured initially at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

SUBSEQUENT MEASUREMENT

For purposes of subsequent measurement, the following categories of financial assets are relevant to the Company:

- Financial assets at amortized costs (trade receivables, term deposits); and
- Financial assets at fair value through OCI (investments in debt instruments (bonds)).

FINANCIAL ASSETS AT AMORTIZED COST

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost mainly includes trade receivables and term deposits.

FINANCIAL ASSETS THROUGH OCI (DEBT INSTRUMENTS)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company's debt instruments at fair value through OCI includes investments in quoted debt instruments (bonds).

DERECOGNITION

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

IMPAIRMENT OF FINANCIAL ASSETS

The Company recognizes an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and term deposits, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

Upon impairment, the carrying amount of the financial assets is directly reduced by the impairment loss, with the exception of trade receivables. For trade receivables, the carrying amount is reduced by means of a separate impairment account. If a trade receivable is considered uncollectible, it is written off in the impairment account. Subsequent collection of amounts that had previously been written off is credited in the impairment account. Modifications in the carrying amount of the impairment account are recognized in the income statement.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise demand deposits and other short-term, highly liquid investments (with less than three months to maturity) that are readily convertible into a known amount of cash and are subject to an insignificant risk of fluctuations in value.

(b) Financial liabilities

DISTINCTION BETWEEN FINANCIAL LIABILITIES AND EQUITY

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities are classified, at initial recognition, at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities mainly include trade and other payables. The Company does not have any derivative financial instruments.

Trade and other payables are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method.

(P) EQUITY INSTRUMENTS

Equity instruments issued by the Group are recorded at the proceeds received. Direct issue costs are processed as a deduction on equity.

(Q) FINANCIAL INCOME AND EXPENSES

Financial income includes interest income on invested funds. Realized and unrealized exchange differences are reported under financial income and expenses.

(R) SEGMENT REPORTING

An operational segment is a component of an entity:

- which exercises operating activities with which profits are gained and costs can be made (including profits and costs from transactions with other components of the entity);

- where the operational results are judged regularly by the highest managerial function of the entity who can take important operational decisions in order to make decisions regarding the granting of resources and to evaluate the financial results of the segment (chief operating decision maker); and
- for which separate financial information is available and that is engaged either in providing specific products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), and which is subject to risks and rewards that are different from those of other segments.

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 decision-making of allocating resources to the segment and evaluating financial performances of the segment. At this moment, reporting is being done at global level within Oxurion.

(S) INVENTORIES

Raw and ancillary materials and commodities are stated at the lower of cost or net realizable value. The inventory costing system is based on the FIFO-method.

Goods in process and finished goods are stated at the standard manufacturing cost or net realizable value. The inventory costing system is based on the FIFO-method.

The net realizable value test is performed for each reporting period. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The standard manufacturing price of the goods in process and of the finished goods, includes (i) the acquisition value of the raw materials, (ii) consumables and ancillary materials, (iii) the production costs that are directly attributable to the product, and (iv) the proportioned part of the production costs that are only indirectly attributable to the product, in so far that these costs cover the normal production period.

The standard manufacturing price is compared to the actual manufacturing price on annual basis, and adjustments are made to the value of the inventory.

Impairment losses are calculated on the goods in process, if their manufacturing cost, increased with the estimated amount of the costs to be incurred is higher than the net sales price at year-end.

Impairment losses on inventories are analyzed on a case-by-case basis if the net realizable value is lower than the cost. The calculation of the net realizable value takes into account the specific characteristics of the inventories, including the due date and if there are indications of a low rotation.

5.5.4 Main accounting estimates and assessments

Drawing up the financial statements in accordance with IFRS requires management to rely on estimates and assumptions that impact the amounts reported under assets and liabilities, the notes on the latent assets and liabilities on the date of the financial statements, and the reported amounts of income and expenditure in the course of the reporting period. The actual results may differ from these estimates.

The main assumptions relating to future developments and the main sources of uncertainty regarding estimates on the balance sheet dates are set out below.

The financial statements are prepared under the assumption of going concern.

We refer to note 5.5.3.C.

Revenue from Contracts with Customers

Under the five-step model established by the IFRS 15 standard, the Group's main estimates and assessments relate to identifying the performance obligations under its contracts and allocating the transaction price according to the stand-alone price of each of the performance obligations.

The majority of the Company's sources of revenue are derived from sales of JETREA® vials through our worldwide license agreement with Inceptua and the tripartite agreement with Eumedica. The Group has determined that there is only one performance obligation for all contracts in place with customers, that is to deliver the JETREA® product to the customer. Therefore, the transaction price is equal to the stand-alone selling price of each vial.

STEP	REVENUE FROM SALE OF VIALS
1. Identification of the contract	Oxurion has a contract in place with Inceptua and Eumedica for the commercialization of JETREA® as disclosed in Note 5.8 under Key Agreements.
2. Identification of performance obligations	In all distribution contracts, there is only one performance obligation: supply of goods to a third party.
3. Identification of the transaction price	Stand-alone price per vial is defined in each agreement with the customer.
4. Allocation of the transaction price	As there is only one performance obligation, there is no allocation of the price, and therefore stand-alone price per vial is recognized.
5. Revenue recognition	Revenue is recognized upon delivery to the customer. Returns are credited strictly at discretion of Oxurion, and a provision for US returns is made based on historical data. Rebate provisions for sales made outside the US, are made based on contractual agreements and/or local regulations.

Share-based payment plans

The Group defines the cost of share-based payment plans on the basis of the fair value of the equity instrument on the grant date. Determining the fair value involves choosing the most suitable valuation model for these equity instruments, and the characteristics of the equity instrument and its issue have a decisive impact. It also assumes the input in the valuation model of a number of relevant assumptions, such as the estimated useful life of the right, volatility, etc. The assessments and the model are specified in more detail in note 5.7.10.

Capitalization and impairment of intangible assets

The Group accounts for as intangible assets only rights and intellectual property if acquired from third parties and costs of internal development only if the conditions for the recognition of intangible assets are met, otherwise such costs are included in the income statement when they arise. The costs are capitalized only if the product is in Phase 3 and the chances of future success are estimated as highly probable. Accounting estimates and assessments of future business evolution, growth, sales, likelihood of success and discount rate are factors used in valuing the intangible asset to execute the annual impairment test.

Taxes

The Group considers that there is a considerable uncertainty regarding the future use of the tax losses of Oxurion as it is very difficult to estimate the impact of the patent deduction on the future tax result at this moment. As the Group can only use the above mentioned patent deduction on the basis of a tax ruling, the expectation exists that the future tax gains will be rather limited. There is also the uncertainty regarding the future use of the tax losses with ThromboGenics, Inc.

5.5.5 Segment information

Segment information is represented in a consistent manner regarding the internal reporting to the chief operating decision maker of the entity, i.e. the person or persons that takes the most important decisions, enabling decision-making of allocating resources to the segment and evaluating financial performances of the segment. At this moment, reporting is being done at global level within Oxurion.

5.5.5.1 Product sales information

Product sales relate only to JETREA® and are reported in note 5.6.1.

5.5.5.2 Geographic information

The Global R&D, Clinical Operations and the General and Administrative functions are located in Leuven, Belgium. These operations represent approximately 95% of the operating result. In the context of the Company's business, these activities do not lead to the need for geographic information.

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

5.5.5.3 Business unit reporting

Oxurion is an integrated biotechnology company with focus on diseases related to the retina and immuno-oncology.

Our molecules, ocriplasmin on the market with brand name JETREA®, the plasma kallikrein inhibitor in a Phase 2 clinical trial, the pan-RGD integrin inhibitor planned to enter Phase 2 clinical trial mid-2021 as well as our pre-clinical compounds all target diseases of the retina or immuno-oncology. 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 business unit as a whole.

5.5.5.4 Information about major customers

Oxurion has one customer that individually accounts for more than 85% of the total income at the end of 2020 (2019: 66%).

5.5.6 Financial instruments

The only financial instruments the Company has are trade receivables and payables and cash, cash equivalents and investments amounting to 24.8 million euro compared to 52.9 million euro cash, in cash equivalents and investments in 2019.

Financial assets and financial liabilities are included in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

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.

5.5.7 Financial risk management

The financial department of the parent Company coordinates access to the national and international financial markets and considers and manages the financial risks relating to the activities of the Group. The financial risks related to the operating activities of the Group are confined to a minimal currency exchange rate risk. There are no risks worth mentioning, such as liquidity risks or interest rate risks as the Group has no debts. The Group does not buy or trade in financial instruments for speculative purposes.

(A) CAPITAL MANAGEMENT

The Group manages its capital with the aim of ensuring that the Group can continue to operate. At the same time, the Group wishes to generate a return for its stakeholders via the results of its research activities, which in turn are expected to lead to an increase in the value of the Company's shares. This strategy has not changed compared to previous years.

The capital structure of the Group consists of investments, cash, cash equivalents and restricted cash, and equity attributable to the equity holders of the Company, including capital, reserves and results carried over, as indicated in notes 5.7.9 and 5.7.10 respectively.

The Group manages its capital structure and makes the necessary adjustments in light of changes in economic circumstances, the risk characteristics of the underlying assets and the projected cash requirements of current research activities. When assessing the capital structure, the current cash position and projected cash burn are used as the key parameters. Cash burn is defined as the net result corrected for depreciation and amortization and less investments in fixed assets.

The Group wishes to maintain a capital structure that is sufficient to fund research activities during a period of at least twelve months. Any cash inflows from possible cooperation agreements or other cash generating activities are not taken into account. To maintain the capital structure, the Group can issue new shares or conclude new finance arrangements.

The Group is not subject to any externally imposed capital requirements.

(B) MAIN ACCOUNTING PRINCIPLES

Details of the main accounting principles and methods, including the inclusion criteria, the valuation basis, and the basis on which income and costs are recognized, for each category of financial assets, liabilities and equity instruments, are explained under 5.5.3.

(C) CATEGORIES OF FINANCIAL INSTRUMENTS

The financial instruments currently held by the Company are:

- Trade receivables and payables
- Short-term financial liabilities
- Cash, cash equivalents and investments (we refer to note 5.7.6) amounting to 24.8 million euro (2019: 52.9 million euro). Investments are mainly in very low risk bonds and term investments.

(D) MARKET RISK

The Group's activities are such that the Group's income is exposed to financial risks arising from currency exchange rate fluctuations because a substantial proportion of the research expenditure is invoiced in USD and pound sterling (GBP). The Group tries to compensate the inflows and outflows in foreign currency.

Analysis of sensitivity to exchange rates

The Group is mainly exposed to fluctuations in GBP and USD against the euro.

The sensitivity of loss to changes in the exchange rates arises mainly from USD and GBP denominated financial instruments.

IN '000 EURO	IMPACT ON POST TAX LOSS	
	2020	2019
USD/euro exchange rate increase 10%	-47	71
USD/euro exchange rate decrease 10%	57	-87
GBP/euro exchange rate increase 10%	-25	-3
GBP/euro exchange rate decrease 10%	30	4

(E) INTEREST RISK MANAGEMENT

The Group does not have any external debt financing at the moment. Furthermore, the Group does not have any contracts with a variable interest rate. Consequently, there is currently no need for a specific interest risk management policy in the Group.

(F) CREDIT RISK MANAGEMENT

Credit risk relates to the risk that a counterparty will fail to fulfill their contractual obligations with the result that the Group would suffer a loss. The Group's policy focuses on only working with credit-worthy counterparties and, where necessary, requiring adequate securities. Information about the creditworthiness of counterparties is provided by independent ratings agencies and, if this is not available, the Group uses information that is publicly available as well as its own internal records. Credit risk is managed by the financial department of Oxurion by means of individual follow-up of credit per counterparty.

The Group has a limited number of customers. Credit risk is considered as remote due to a history of no issues with payment collection. So far, the collection of payments happened without any delay and with limited credit risk.

The credit risk on cash investments is limited given that the counterparties are banks with high credit scores attributed by international rating agencies.

(G) LIQUIDITY RISK MANAGEMENT

The Group manages its liquidity risk by ensuring adequate reserves and by constantly checking the projected and actual cash flows. At the moment, the Group is not subject to any substantial liquidity risk.

5.5.8 Remuneration of Key Management Personnel

Key management personnel were constituted in 2020 of:

- ViBio BV, represented by Dr. Patrik De Haes – CEO

The key management personnel constitute the Executive Team as per Company's corporate chapter.

Remuneration of key management personnel was as follows:

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
Consultancy fees and reimbursement of expenses, short-term	455	557
# of subscription rights and shares obtained during the period (in thousands)	0	100
Fees in the long term in case of dismissal (12-18 months)		
Minimum fee	476	471
Maximum fee	714	706

No loans, quasi-loans or other guarantees have been given to any of the executive directors.

5.5.9 COVID-19 impact

Mitigation measures

Personnel

The Group has always 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 unemployment during April and May 2020 to allow for social distancing in the labs.

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 the start of COVID-19 crisis, Oxurion was preparing the launch of two Phase 2 clinical trials. In agreement with our third-party CRO, 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 the COVID-19 situation would allow. By this approach Oxurion was able to avoid a major delay in starting the THR-149 Phase 2 trial.

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 were 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-19 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.

Ability to continue as a going concern

Oxurion is a development stage biotech company and as such is utilizing cash. There was a minor delay in our clinical progress due to COVID-19 and savings in personnel costs have contributed to reducing the cash utilization.

Impact on carrying amount of assets

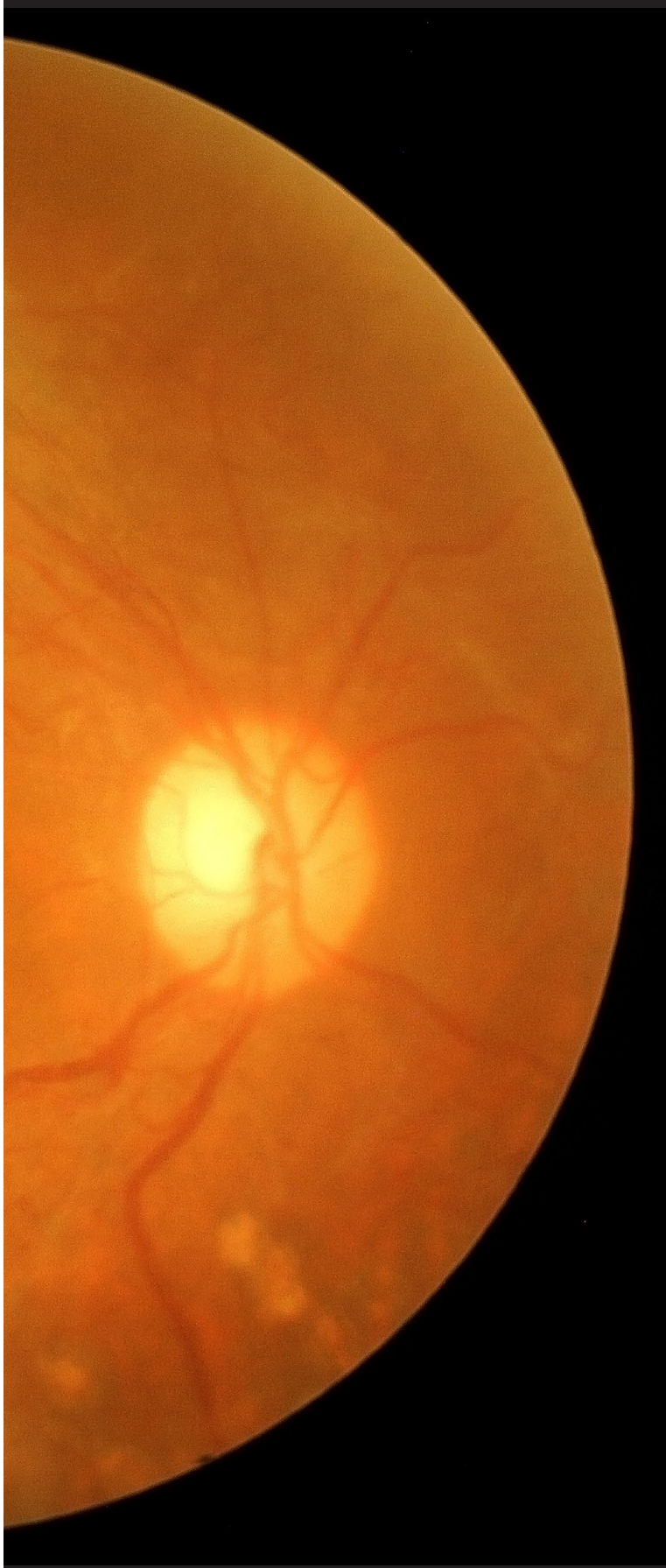
The COVID-19 measures had no impact on the carrying amount of assets. The delays outlined above were factored into our value in use models and there are no signs for a need of impairment.

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 Company's 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.

Contingent assets and liabilities

No specific contingent assets and liabilities can be linked to the COVID-19 situation.



5.6 NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS

5.6.1 Income

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
Sales	2,000	3,820
Income from royalties	78	126
Total income	2,078	3,946

In 2020, Oxurion JETREA® sales amounted to 2.0 million euro compared to 3.8 million euro in 2019.

In 2020, Oxurion entered into a global license agreement with Inceptua Group for the commercialization of JETREA®.

For further details we refer to the Key Agreements' section as disclosed in note 5.8.

5.6.2 Cost of sales

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
License rights on sales	-64	-115
Cost of goods	-486	-2,144
Total cost of sales	-550	-2,259

The license rights on sales include the royalties that Oxurion owes to the companies RCT and LSRP on the basis of JETREA® sales.

In the cost of goods in 2019, an amount of 2.0 million euro has been accounted for write-off of inventories of drug substance (0.3 million euro), drug product (1.3 million euro) and excipients (0.4 million euro).

5.6.3 Research and development expenses

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
Employee benefits	-5,287	-5,823
Subcontracted R&D activities	-10,443	-13,131
Reagents and materials	-725	-881
Patent expenses	-379	-262
Consultancy fees	-2,446	-2,938
Other	-2,452	-1,185
Depreciation and amortization	-963	-2,575
Government grants	489	604
Income from recharge of costs	153	482
Total research and development expenses	-22,053	-25,709

The reduction in employee benefits reduce in 2020 compared to 2019 is mainly the result of a reduction in R&D personnel.

The subcontracted R&D activities relate to the outsourced services used to develop Oxurion's projects in the preclinical and clinical phase. In 2020, these costs decreased by 2.7 million euro from 13.1 million euro to 10.4 million euro, which is mainly due to the decision to stop the investment in the development of THR-317. The costs in 2020, are mainly the concurrent running of the THR-149 and THR-687 clinical studies.

In 2020, other expenses increased to 2.5 million euro compared to 1.2 million euro in 2019. The increase is due to the fact that a 2.0 million euro milestone was due to Bicycle Therapeutics in 2020.

Since the launch of JETREA® (beginning January 2013), Oxurion has amortized Phase 3 costs related to the development of ocriplasmin. Ocriplasmin was fully impaired at June 30, 2019 as a result the amortization cost related to ocriplasmin was higher in 2019 compared to 2020. We refer to note 5.7.3 for more information. On the other hand, there is an increase of the amortization related to IFRS 16. We refer to note 5.7.2 for more information.

The government grants are grants received from the VLAIO, formerly known as IWT. Oxurion currently has three grant agreements with VLAIO. We refer to the accounting policy in note 5.5.3 for more details.

In 2019, the income from recharge of costs relates to research and development expenses recharged to BioInvent.

Government grants and income from the recharge of costs are deducted from the research and development expenses.

5.6.4 General and administrative expenses

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
Employee benefits	-1,397	-1,648
Consultancy fees	-2,889	-3,246
Insurance	-336	-321
Other	-771	-968
Depreciation and amortization	-96	-141
Total general and administrative expenses	-5,489	-6,324

The most important piece of the general and administrative expenses are ICT contractors, management, audit fees, Board fees, investor relations contractors, legal fees and HR services. The decrease is mainly due to a decrease in consultancy fees.

5.6.5 Selling expenses

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
Employee benefits	-1,682	-3,250
Distribution costs	-407	-490
Contractor and consultancy fees	-874	-1,871
Other	-239	-1,287
Depreciation and amortization	-50	-57
Total selling expenses	-3,252	-6,955

In 2020, the selling expenses of Oxurion were 3.3 million euro compared to 7.0 million euro in 2019. The decrease is mainly an effect of the outlicensing of JETREA® to the Inceptua Group.

5.6.6 Other operating income

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
Other operating income	777	2,022
Total other operating income	777	2,022

In 2020, Oxurion received other operating income of 0.8 million euro compared to 2.0 million euro in 2019. In 2019, this related mainly to (i) an amount of 1.1 million euro obtained by Oxurion from Alcon/Novartis as the closing balance of profit transfer from JETREA® sales made by Alcon/Novartis and (ii) accrued tax credit for an amount of 0.8 million euro. The accrued tax credit in 2020 amounted to 0.7 million euro.

5.6.7 Finance income

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
Interest	21	28
Exchange rate gain (on USD and GBP)	447	467
Total finance income	468	495

As a result of USD revaluations, the unrealized exchange gain in 2020 amounted to 0.419 million euro (2019: 0.415 million euro) whereas 0.028 million euro exchange gains were realized (2019: 0.050 million euro).

5.6.8 Finance expense

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
Bank costs	-26	-24
Impairment on short-term financial investments	-6	4
Other	-28	-31
Exchange rate loss (on USD and GBP)	-348	-356
Total finance expense	-408	-407

As a result of USD revaluations, the unrealized exchange losses in 2020 amounted to 0.309 million euro (2019: 0.325 million euro) whereas 0.039 million euro exchange losses were realized (2019: 0.032 million euro).

5.6.9 Employee benefits

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
Wages, salaries and bonuses	-7,507	-9,839
Share-based compensation expenses	-458	-440
Pension costs	-401	-442
Total	-8,366	-10,721

The average number of full-time equivalents (including executive directors) was as follows:

IN NUMBERS	2020	2019
Research and development	55	58
General and administration	12	8
Selling	3	11
Total	70	77

The share-based compensation expense included in the income statement is given below:

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
Research and development expenses	203	192
General and administrative expenses	209	182
Selling expenses	46	66
Total	458	440

We refer to note 5.7.10, for further information regarding the share-based payment plans.

5.6.10 Taxes

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
Current tax expense	0	-17
Deferred tax expense	0	0
Tax expenses in income statement	0	-17
Effective tax rate	0.0%	0.0%

The tax expense as shown above has been calculated in conformity with local and international tax laws. The tax on the Company's loss (-)/ profit before tax differs from the theoretical amount that would arise using the domestic rate in Belgium on loss (-) / profit of the year and is as follows:

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
Loss (-) / profit before tax	-28,560	-52,086
Expected tax based on tax rate of the parent company (2020: 25% and 2019: 29.58%) (theoretical)	7,140	15,407
Disallowed expenses	-65	-106
Notional interest deduction	0	0
Tax deductions and non-taxable income	296	414
Change in unrecognized deferred taxes	-7,255	-13,106
Adjustments for current tax of prior periods	0	0
Impact of tax law changes	0	-2,475
Difference in tax rates from other jurisdictions	-1	1
(Other)	-115	-118
Tax expense of the year (effective)	0	-17

The main difference between the theoretical tax and the effective tax for the year 2019 and 2020 can be primarily explained by the unrecognized deferred taxes for which the Company conservatively assesses that it is not likely that these will be utilized in the foreseeable future.

5.6.11 Result per share

Basic earnings per share

The calculation of basic earnings/loss per share on December 31, 2020 is based on the holders of ordinary shares attributable loss (-) / profit from 2020 (28.560) million euro (2019: (52.103) million euro) and a weighted average number of ordinary shares outstanding during 2020 of 38,291,950 (2019: 38,291,950), calculated as follows:

	2020	2019
Issued ordinary shares per 1 January	38,291,950	38,291,950
Effect of capital increase through issue of shares	0	0
Effect of exercised share options	0	0
Average number of ordinary shares per 31 December	38,291,950	38,291,950

IN '000 EURO, EXCEPT FOR RESULT PER SHARE	2020	2019
Result of the year	-28,560	-52,103
Basic result per share	-0.75	-1.36

Diluted earnings per share

For the purpose of calculating diluted earnings per share, the number of ordinary shares are equal to the weighted average number of ordinary shares plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

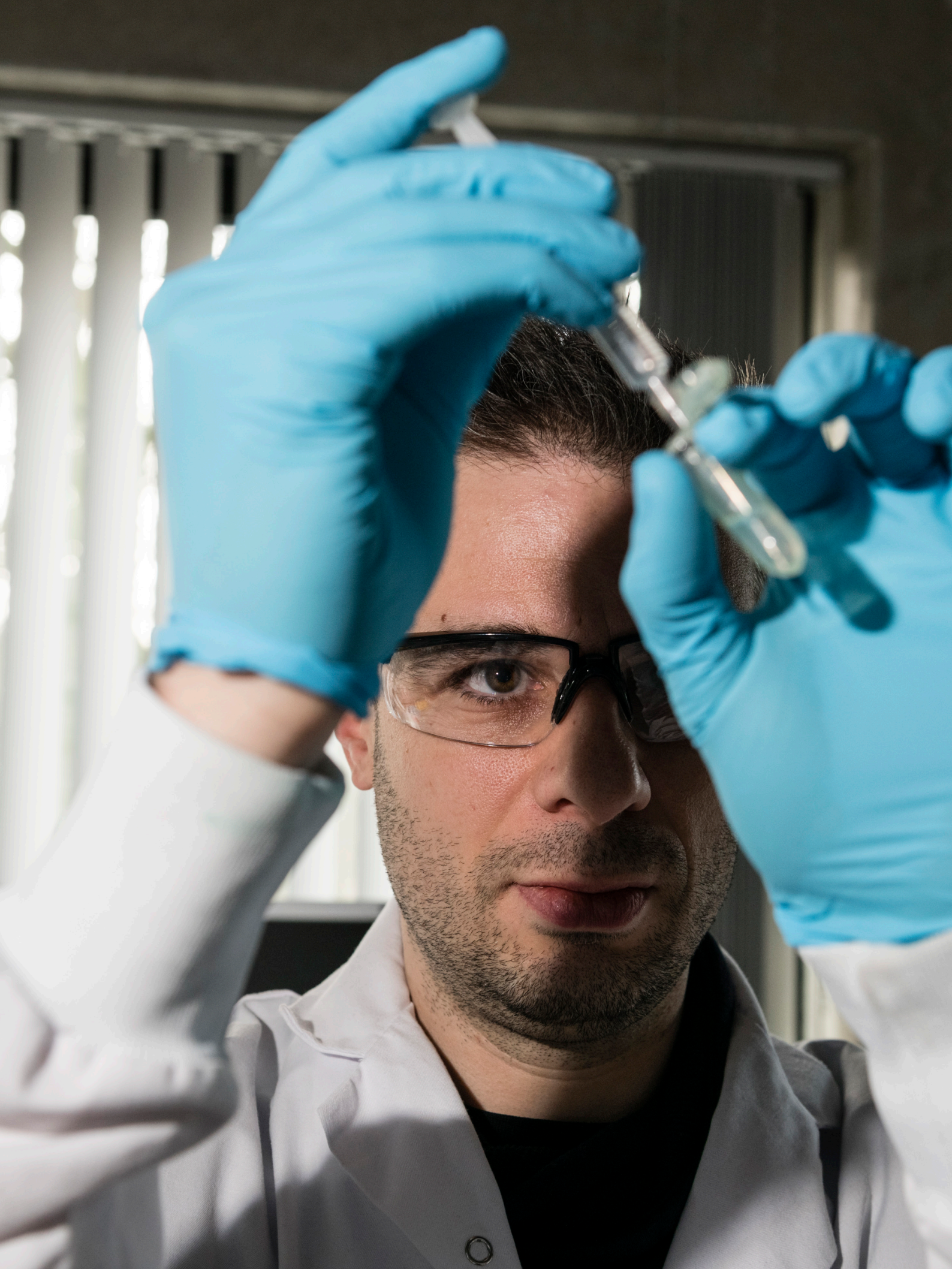
	2020	2019
Issued ordinary shares (diluted) per 1 January	39,250,750	39,466,700
Effect of capital increase through issue of shares	0	0
Effect of exercised share options	0	0
Effect of potential ordinary shares	-21,723	-54,303
Average number of ordinary shares (diluted) per 31 December	39,229,027	39,412,397

IN '000 EURO, EXCEPT FOR RESULT PER SHARE	2020	2019
Result of the year	-28,560	-52,103
Diluted result per share (*)	-0.75	-1.36

(*) As there was a loss in 2020 and 2019 the diluted earnings are the same as the basic earnings per share.

The Group has granted subscription rights to the Executive Team and to personnel to buy ordinary shares.

See note 5.7.10 for an overview of the number of outstanding subscription rights at each year-end.



5.7 NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

5.7.1 Property, plant and equipment

IN '000 EURO	MACHINES, PLANT AND EQUIPMENT	FURNITURE AND FITTINGS	TOTAL
As at 1 January 2019			
Cost	6,500	4,234	10,734
Accumulated depreciation and disposals	-6,191	-3,923	-10,114
Exchange differences	-24	18	-6
Net carrying amount	285	329	614
Year ended on 31 December 2019			
Additions	77	54	131
Depreciation expenses	-122	-208	-330
Disposals	-69	-8	-77
Exchange differences	2	0	2
Net carrying amount	173	167	340
As at 31 December 2019			
Cost	6,577	4,288	10,865
Accumulated depreciation and disposals	-6,382	-4,139	-10,521
Exchange differences	-22	18	-4
Net carrying amount	173	167	340
Year ended on 31 December 2020			
Additions	97	22	119
Depreciation expenses	-69	-125	-194
Disposals	-18	-12	-30
Exchange differences	-4	-1	-5
Net carrying amount	179	51	230
As at 31 December 2020			
Cost	6,674	4,310	10,984
Accumulated depreciation and disposals	-6,469	-4,276	-10,745
Exchange differences	-26	17	-9
Net carrying amount	179	51	230

As at December 31, 2020, property, plant and equipment with an original cost of 6.5 million euro (2019: 6.4 million euro) that has already been fully depreciated is still in use. No property, plant and equipment is pledged or in limited use.

5.7.2 Leases

IN '000 EURO	LAND AND BUILDINGS	PROPERTY, PLANT AND EQUIPMENT	TOTAL
Right-of-use assets			
As at January 1, 2019	2,575	175	2,750
Additions	0	326	326
Amortization	-749	-115	-864
As at December 31, 2019	1,826	386	2,212
As at January 1, 2020	1,826	386	2,212
Additions	0	30	30
Amortization	-751	-164	-915
Modification*	-258	0	-258
As at December 31, 2020	817	252	1,069
Lease liabilities			
As at January 1, 2019	2,575	175	2,750
Additions	0	326	326
Interest expense	22	2	24
Lease payments	-751	-116	-867
As at December 31, 2019	1,846	387	2,233
Of which are:			
current lease liabilities	741	157	898
non-current lease liabilities	1,088	228	1,316
unwinding effect between nominal and discounted value	18	2	19
Total	1,846	387	2,233
As at January 1, 2020	1,846	387	2,233
Additions	0	30	30
Interest expense	13	3	16
Lease payments	-753	-166	-919
Modification*	-264	0	-264
As at December 31, 2020	842	254	1,096
Of which are:			
current lease liabilities	517	133	649
non-current lease liabilities	312	118	430
unwinding effect between nominal and discounted value	13	3	17
Total	842	254	1,096

(*) Oxurion moved forward to more structural telework and decided to terminate part of the lease agreement with Bio-Incubator

Impact on the statement of profit or loss for 2020:

IN '000 EURO (FOR THE PERIOD ENDED ON DECEMBER 31)	INCREASE/(DECREASE)
Depreciation expense	916
Operating lease expenses	-919
OPERATING RESULT	-3
Finance expense	16
Income tax expense	0
RESULT FOR THE PERIOD	13

On December 31, 2020, Oxurion had outstanding lease obligations, which become due as follows:

IN '000 EURO	UP TO 3 MONTHS	BETWEEN 3 AND 12 MONTHS	BETWEEN 1 AND 2 YEAR(S)	BETWEEN 2 AND 5 YEARS
Lease obligations	183	465	409	21

5.7.3 Intangible assets

IN '000 EURO	INTERNALLY GENERATED MICROPLASMIN PHASE 3	LICENSE NUVUE	LICENSE GRIFOLS	LICENSE GALAPAGOS	LICENSE VIB	LICENSES OTHER	TOTAL
As at 1 January 2019							
Cost	53,597	12,019	9,935	1,000	982	168	77,701
Accumulated amortization expenses	-22,054	-6,069	-4,960	0	0	-168	-33,251
Accumulated impairment losses	-24,000	0	0	0	0	0	-24,000
Net carrying amount	7,543	5,950	4,975	1,000	982	0	20,450
Year ended December 31, 2019							
Additions	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Amortization expenses	-646	-509	-421	0	0	0	-1,576
Impairment losses	-6,897	-5,441	-4,554	0	0	0	-16,892
Net carrying amount	0	0	0	1,000	982	0	1,982
As at December 31, 2019							
Cost	53,597	12,019	9,935	1,000	982	168	77,701
Accumulated amortization expenses	-22,700	-6,578	-5,381	0	0	-168	-34,827
Accumulated impairment losses	-30,897	-5,441	-4,554	0	0	0	-40,892
Net carrying amount	0	0	0	1,000	982	0	1,982
For the period ended on December 31, 2020							
Additions	0	0	0	0	270	0	270
Disposals	0	0	0	0	0	0	0
Amortization expenses	0	0	0	0	0	0	0
Impairment losses	0	0	0	0	-125	0	-125
Net carrying amount	0	0	0	1,000	1,127	0	2,127
As at December 31, 2020							
Cost	53,597	12,019	9,935	1,000	1,252	168	77,971
Accumulated amortization expenses	-22,700	-6,578	-5,381	0	0	-168	-34,827
Accumulated impairment losses	-30,897	-5,441	-4,554	0	-125	0	-41,017
Net carrying amount	0	0	0	1,000	1,127	0	2,127

In the development of JETREA®, Oxurion has capitalized ocriplasmin clinical study costs (Internally generated Microplasmin Phase 3), and two externally acquired licenses that were used for development of JETREA®: NuVue and Grifols. The capitalized costs were amortized from the date of commercialization of JETREA® in 2013, over the life of the patent which was determined to be 11.8 years. We refer to the accounting policy section for more details on ocriplasmin.

The Galapagos license relates to an externally acquired license by Oxurion in relation to program THR-687, for the development and commercialization of integrin antagonists. The license is not yet amortized as the development is currently in progress. Annual impairment reviews are performed, and there is no need for impairment of this license. For more details on the agreement and accounting policy treatment, we refer to note 5.8 under key arrangements section.

The VIB license relates to an externally acquired license by Oncurious for a portfolio of five unique next generation immuno-oncology assets which are being used in further development. This asset was given as a contribution in kind by VIB and was capitalized based on fair value determined by an independent valuator. The license is not yet amortized as the development is currently in progress. For more details on the agreement and accounting policy treatment, refer to note 5.8 under key arrangements section.

Impairment test at half year 2019

At December 31, 2018, in executing the impairment test for JETREA® intangible asset, the recoverable amount of JETREA® Cash Generating Unit (CGU) was determined based on the fair value less cost of disposal.

At December 31, 2018, the model included growth rates which are consistent with forecasts included in reports specific to the industry in which the CGU operates. At June 30, 2019, declining sales of the asset signaled the need for impairment revision.

At June 30, 2019, in line with the method used at December 31, 2018, the fair value calculation for the JETREA® CGU was performed based on a level 3 calculation in accordance with IFRS 13. New sales forecasts were produced using actual sales as a base and projecting these based on reachable promotion targets and adapted growth rates. Using these revised sales projections, cash flow projections were performed based on industry ratios related to the product and covering a five-year period, which corresponds to the remaining patent life for JETREA®. These cash flows included discounted residual values beyond the five-year period assuming slowly declining sales of the last patent protected year. A discount rate of 25% was used, taking into consideration the main assumptions such as growth rate used in the model. The fair value model comprises an estimated rate of 3% to cover any potential cost for disposal. A sensitivity analysis was performed using different scenarios affected by the key assumptions such as discount rate and growth rate. The cash flows obtained through these calculations did not justify the value of this asset in the statement of financial position and as consequence the remainder of all JETREA® intangibles (comprised of internally generated assets, as well as acquired IP) were written off on June 30, 2019 for a total amount of 16.9 million euro. In accordance, JETREA® related inventories were impaired to expected net realizable value.

The goodwill relates to the historic acquisition of an ownership interest in Thromb-X NV by ThromboGenics Ltd. in 2001. The impaired goodwill related to JETREA® was written off as a result of the 2016 impairment test.

Impairment test at December 31, 2020

For the Galapagos IP due to indefinite lifetime, the carrying value was tested against its probable value in use. A DCF model was used. Revenues are based on patient-based algorithm for estimating the number of patients treated over time with the considered asset, resulting in sales volume and value estimated from sources such as peer-reviewed publications, Datamonitor Healthcare, Biomedtracker, and GlobalData for population as well as market potential. Investments and expenses were defined for pre-launch and post-launch operating expenses, using when possible, biopharmaceutical industry benchmarking (GlobalData). Two discount approaches were taken: one using WACC of 25% across the board and another applying first, industry standard probabilities to bring the molecule to the market (Bio Org 2016), then applying further discounting on the obtained result with a WACC of 12%. Both approaches resulted in no indication of impairment. Figures used for calculation extend to the end of data exclusivity and no terminal value was taken into account.

For the VIB IP, due to indefinite lifetime, probable value in use due to its preclinical status is based on assumed out-license potential of immuno-oncology assets. Based on historical comparable transactions for immuno-oncology molecules, as published in Nature Biotechnology and Nature Reviews Drug Discovery and applying a discount rate of 25% over potential near term upfront payments (assumed within next 3 years) obtainable for drugs in discovery stage in this field, resulted in no indication of impairment.

5.7.4 Trade and other receivables, non-current tax credit and current tax receivables

Trade and other receivables

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
Trade receivables	691	1,803
Other receivables	523	1,238
Prepaid expenses and other current assets	237	551
Total	1,451	3,592

Other receivables relate mainly to prepayments: 0.523 million euro in 2020, compared to 1.238 million euro in 2019. These advances were paid upfront to various CRO partners mainly in relation to direct costs and pass through costs.

Allowance for bad debt is booked on the basis of an estimate of lifetime credit losses at each reporting, taking into account the payment history of the other party. As per 31 December 2020 and 2019, there are no material aged trade receivables.

The table below shows the evolution of key trade receivable amounts on the balance sheet date:

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
BioInvent	325	481
Eumedica	216	779
Inceptua Group	52	0
Syneos Health	61	0
Besse Medical	0	335
Mc Kesson Financial Center	0	71
Walgreens Specialty	0	11
Accutome Inc.	0	8
I-Care	0	118
Other trade receivables	37	0
Total	691	1,803

Management has sufficient confidence in the creditworthiness of the counterparty that the trade receivable amounts are considered collectable in full.

Aging balance of receivables that are due, but that are still considered collectable based on contractual payment terms:

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
0 - 60 days	551	841
60 - 90 days	71	275
90 - 120 days	65	158
more than 120 days	4	529
Total	691	1,803

When determining the collectability of a trade receivable, the Group takes into account any change in the quality of the receivable between the date on which the credit was granted and the reporting date.

The Group has no securities linked to these receivables.

Taxes

Non-current tax receivables

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
Tax credit	3,708	3,385
Total	3,708	3,385

The tax credit applies to the relevant acquired intangible assets if capitalized. If the Company does not use this tax credit within the next 5 years, it will be recoverable from the government..

Current tax receivables

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
Recoverable VAT	311	381
Recoverable withholding tax	9	55
Tax credit	370	0
Other taxes	29	31
Total	719	467

The outstanding tax claims relate to recoverable VAT, recoverable withholding tax on interest, US corporate income tax and short-term tax credit.

5.7.5 Inventories

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
Raw and ancillary materials, goods in process and finished goods	85	20
Total	85	20

The inventories of raw and ancillary materials, goods in process and finished goods are based on the net value, after impairment losses. The impairment losses on the inventories recognized in cost of goods amount to 0.801 million euro in 2020, compared to 2.011 million euro in 2019.

5.7.6 Investments

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
Other investments	288	444
Term investments	0	10,000
Total investments	288	10,444

FINANCE ASSETS ACCORDING TO CATEGORIES DEFINED IN IFRS 9	INVESTMENTS AT AMORTIZED COST	INVESTMENTS AT FVOCI
Balance at 1 January 2019	20,000	475
Exchange rate differences	0	3
Additions	0	0
Retirements	-10,000	-40
Impairments	0	5
Appreciation at market value	0	1
Balance at 31 December 2019	10,000	444
-/- of which taken in fixed assets	-	-
Taken in current assets	10,000	444
Composition		
- Other bonds	0	444
- Term investments	10,000	0
Breakdown per currency		
- in EUR	10,000	290
- in other currency	0	154
Total	10,000	444
Balance at 1 January 2020	10,000	444
Exchange rate differences	0	-8
Additions	0	0
Retirements	-10,000	-145
Impairments	0	-1
Appreciation at market value	0	-2
Balance at 31 December 2020	0	288
-/- of which taken in fixed assets	-	-
Taken in current assets	0	288
Composition		
- Other bonds	0	288
- Term investments	0	0
Breakdown per currency		
- in EUR	0	186
- in other currency	0	102
Total	0	288

The Group decided to invest mainly in saving accounts and term deposits. The remaining bonds are held by UBP (Union Bancaire Privée) and are distributed in 6 bonds of private and public institutions. The credit rating varies from A, A+, BBB to BBB+. Bonds are measured at fair value at level 1 hierarchy based on quoted market prices.

5.7.7 Other short-term liabilities

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
Employee benefits	1,053	2,005
Other current liabilities	1,614	1,960
Total other short-term liabilities	2,667	3,965

Oxurion's Defined Benefit Obligation (DBO) is a non-current liability. For comparative reasons, 801k euro relating to DBO has been reclassed in the 2019 consolidated statement of financial position from current to non-current liabilities.

Employee benefits include holiday pay, bonus and outstanding employee taxes. In addition, in 2019, the reorganization costs of the US commercial team in view of moving to a distribution model had led to establishment of a provision to cover for announced, identified and quantified reorganization costs to be exposed in 2020.

The other current liabilities consist of commitments that expire before year-end, but for which an invoice was not yet received.

5.7.8 Deferred taxes

Deferred tax assets have not been recognized in respect of the items below because it is not probable that future taxable profits will be available against which the Group can utilize the loss carryforwards or deductible temporary differences. The losses available for offsetting future taxable income are mainly related to Belgium and can be carried-forward indefinitely.

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
Losses available for offsetting against future taxable income	305,688	306,274
Deductible temporary differences	21,646	24,651
Total unused tax losses and other deductible temporary differences not recognized	327,334	330,925

No deferred tax liability is recognized on the unremitted earnings of subsidiaries since no tax is expected to be payable on them in the foreseeable future.

5.7.9 Share capital

ThromboGenics NV was founded on May 30, 2006, with a capital of 62,000 euro represented by 11,124 shares.

On December 31, 2020, the capital of the Company on a consolidated basis amounted to 44,912,961 euro represented by 38,291,950 ordinary bearer shares without indication of nominal value. All the shares are fully paid up and all have the same rights.

The Board of Directors' powers with respect to the authorized share capital were renewed at the extraordinary shareholders' meeting on May 24, 2019 for a period of five years starting from the publication of the deed of amendment of the Articles of Association in the Belgian Official Gazette (June 13, 2019). The Board is authorized to increase the share capital of the Company on one or more occasions up to an amount of 55,325,961 euro (less the authorized capital as to be used in the exercise of the subscription rights to be granted) through cash, in kind contribution, or by conversion of the reserves in accordance with Article 7:199 of the Belgian Companies Code.

NUMBER OF SHARES	
31 December 2018	38,291,950
-	0
31 December 2019	38,291,950
-	0
31 December 2020	38,291,950

On December 30, 2019, by decision of the extraordinary general shareholders meeting, accumulated losses of Oxurion NV were absorbed by a reduction of the share premium for an amount of 12,949.53 euro and a capital decrease in an amount of 36,920,014.87 euro.

On August 24, 2020, by decision of the extraordinary general shareholders meeting, accumulated losses of Oxurion NV were absorbed by a capital decrease in an amount of 55,730,971 euro.

IN '000 EURO	CAPITAL	SHARE PREMIUM
31 December 2018	137,564	13
Capital decrease	-36,920	-13
31 December 2019	100,644	0
Capital decrease	-55,731	0
31 December 2020	44,913	0

5.7.10 Other reserves

IN '000 EURO	
31 December 2018	-12,563
Share-based payment	440
Fair value adjustment	1
31 December 2019	-12,122
Share-based payment	458
Reserve fund	5,533
Fair value adjustment	-2
31 December 2020	-6,133

On August 24, 2020, by decision of the extraordinary general shareholders meeting, a reserve fund was created for an amount of 5.532.596,62 euro to cover a foreseeable loss.

Share-based payment plans

The Group has created various subscription rights plans that can be granted to personnel and research institutions and a subscription rights plan for Board members.

Since the public listing, all subscription rights plans have been created in respect of Oxurion NV.

At December 31, 2020, there are two outstanding subscription rights plans, as follows:

CREATION DATE OF PLAN	DATE GRANTED	EXERCISE PRICE (IN EURO)	BENEFICIARY
Warrant Plan Belgium 2017	2017-2020	Between 2.64 and 6.55	Employees, key consultants and directors of the Group
Subscription Rights Plan Belgium 2020	-	-	Non- Executive Directors of the Group

Brief overview of all outstanding subscription rights granted between 2017 and December 31, 2020

Oxurion 2017 Warrant Plan

On November 20, 2017, the Extraordinary General Meeting of Oxurion NV decided to issue the Oxurion 2017 Warrant Plan (warrants are now referred to as subscription rights). Under this rights plan a maximum of 1,440,000 subscription rights can be issued and granted to employees, directors and consultants of the Group. Each subscription right entitles the holder to subscribe to one Oxurion NV share.

Subscription rights are granted under this plan by the Board of Directors or the Remuneration Committee, except for directors. Authority to grant subscription rights to directors is held by the General Meeting. Subscription rights are offered free of charge or in return for payment. The exercise price is equal to the lower of (i) the average of the closing prices of the share on the stock market during the 30 days prior to the offering of a subscription right or (ii) the closing price on the last stock market day prior to the offer. Subscription rights granted under this plan have a contractual term of ten years and 3 years graded vesting (50% after 2 years and 50% after 3 years) with no performance conditions. The conditions under which a subscription right holder is entitled to exercise a subscription right are established by the Remuneration Committee.

Oxurion 2020 Subscription Rights Plan

On December 23, 2020, the Board of Directors of Oxurion NV decided to issue the Oxurion 2020 subscription rights plan as decided by the General Shareholders' Meeting in May 2019. Under this subscription rights plan a maximum of 150,000 subscription rights can be issued and granted to Non-Executive Directors of Oxurion. Each subscription right entitles the holder to subscribe to one Oxurion NV share subject to the payment of the exercise price.

The exercise price is equal to the lower of (i) the average of the closing prices of the share on the stock market during the 30 days prior to the offering of a subscription right or (ii) the closing price on the last stock market day prior to the offer. Subscription rights granted under this plan have a contractual term of ten years and vest immediately.

No subscription rights have been granted under the 2020 Plan.

The grant date fair values of the subscription rights granted under the 2017 Warrant Plan have been determined by using the Black & Scholes model, taking into account the following assumptions:

2017 WARRANT PLAN	ASSUMPTIONS									
Grant date	Dec-17	Dec-17	Jun-18	Dec-18	Dec-18	Jul-19	Dec-19	Dec-19	Jun-20	Aug-20
Number of subscription rights granted	251,000	150,000	33,500	208,000	150,000	44,300	136,000	125,000	43,500	10,000
Current share price on date of acceptance (in euro)	3.38	3.38	7.07	3.52	3.52	4.65	2.875	2.875	3.07	2.72
Exercise price	3.38	4.593	6.549	3.4	4.593	3.822	2.64	4.593	2.847	2.8
Expected dividend yield	-	-	-	-	-	-	-	-	-	-
Expected stock price volatility	40%	40%	40%	40%	40%	40%	60%	60%	60%	60%
Risk-free interest rate	-0.51%	-0.51%	-0.46%	-0.38%	-0.38%	-0.67%	-0.58%	-0.58%	-0.54%	-0.62%
Expected duration	10	10	9.5	9	9	8.5	8	8	7.5	7.5
Fair value	1.56	1.29	3.33	1.58	1.3	2.23	1.75	1.43	1.83	1.56

For 2017 Warrant Plan, the assumptions used in determining the fair value of the subscription rights granted are based on the following data:

- Current share price on date of acceptance - the closing price on the stock market of Euronext Brussels.
- Expected stock price volatility - the historical volatility of Oxurion's share price.
- Expected duration – calculated as the estimated duration until exercise, taking into account the specific features of the plans.
- Risk-free interest rate - based on the Belgium government bond rates at the date of granting with a term equal to the expected life of the subscription rights.

The Group has also granted subscription rights to parties that are not employees of the Group. As the services rendered are of such a specific nature that the fair value cannot be determined reliably, Oxurion NV has determined the fair value of the services received from these parties by reference to the subscription rights granted.

Movements in the number of subscription rights outstanding and their related weighted average exercise prices are as follows:

	2020		2019	
	AVERAGE EXERCISE PRICE IN EUR	SUB-SCRIPTION RIGHTS	AVERAGE EXERCISE PRICE IN EUR	SUB-SCRIPTION RIGHTS
As at 1 January	3.94	958,800	4.63	1,174,750
Granted, accepted	2.84	53,500	3.61	305,300
Forfeited	4.13	-118,500	5.67	-521,250
Exercised	0.00	0	0.00	0
As at 31 December	3.84	893,800	3.94	958,800

Outstanding vested subscription rights as at December 31, 2020, have the following earliest exercise date, maturities and exercise prices:

EARLIEST EXERCISE DATE	EXPIRY DATE	EXERCISE PRICE (IN EUR)	NUMBER (THOUSANDS)
2021	2027	4.09	428
Total weighted average		4.09	428

5.7.11 Employee Benefit Obligations

Oxurion offers its employees retirement benefits that are funded through a group insurance plan managed by an insurance fund. Until June 30, 2009, the insurance group plan was based on a "defined benefit" system. In a defined benefit pension plan, an employer commits to paying its employee a specific benefit for life beginning at his or her retirement. The amount of the benefit is known in advance, and is usually based on factors such as age, earnings, and years of service. Defined benefit plans do not have contribution limits, but they do have a limit on the maximum annual retirement benefit.

Since July 1, 2009, the defined benefit plan was changed into a pension plan that is structured as a defined contribution plan, but that should be accounted for as a defined benefit plan in accordance with IFRS, since the company offers a minimum guaranteed return to the plan participants.

The amounts recognized in the balance sheet can be broken down as follows:

	2020	2019
Defined benefit obligation	5,361	4,684
Fair value of plan assets	-4,265	-3,883
Net defined benefit liability	1,096	801

The amounts recognized in the balance sheet and the movements in the net defined benefit obligations are as follows:

IN '000 EURO	PRESENT VALUE OF OBLIGATION	FAIR VALUE OF PLAN ASSETS	TOTAL
As at January 1 2020	4,684	-3,883	801
Current service cost	366	0	366
Past service cost	0	0	0
Interest expense/(income)	58	-50	8
Total amount recognized in profit or loss	*424*	*-50*	*373*
Remeasurements	187	0	187
Total amount recognized in other comprehensive income	*187*	*0*	*187*
Employer contributions	0	-376	-376
Employee contributions	87	-87	0
Benefit payments	-42	42	0
Taxes on contributions	-47	47	0
Insurance premiums related to risk coverages	-75	75	0
Actuarial gains/(losses) on fair value of plan assets	0	-33	-33
Actuarial gains/(losses) on DBO due to experience adjustments	143	0	143
As at December 31 2020	5,361	-4,265	1,096

The significant actuarial assumptions used to calculate the net defined benefit liability were as follows:

	2020	2019
Discount rate	0.6%	1.3%
Inflation rate	1.8%	2.0%
Salary increase rate on top of inflation rate	1.2%	1.5%
Mortality tables	MR/FR with age correction of 3 years	MR/FR with age correction of 3 years

Sensitivity analysis considering a change of 0.25% in the discount rate:

IN '000 EURO	TOTAL
Defined Benefit Obligation considering an increase of 0.25% in the discount rate	-5,215
Defined Benefit Obligation considering a decrease of 0.25% in the discount rate	-5,516

The expected future benefits to be paid are as follows:

IN '000 EURO	
2021	225
2022	140
2023	80
2024	14
2025	60

5.8 OTHER CLARIFICATION NOTES TO THE STATEMENT OF FINANCIAL POSITION

Subsidiaries and branches

NAME OF THE SUBSIDIARY	PLACE OF INCORPORATION AND OPERATION	2020	2019	PRINCIPAL ACTIVITY
ThromboGenics, Inc.	US	100%	100%	Distributor
Oncurious NV	BE	89.59%	81.67%	Research (oncology)
NAME OF THE BRANCH	**PLACE OF INCORPORATION AND OPERATION**	**2020**	**2019**	**PRINCIPAL ACTIVITY**
Irish Branch*	IE	N/A	100%	No current activity

**As there were no activities in the Irish Branch, the Company decided to close it.*

At year-end 2020, out of a new total of 12,025 Oncurious NV shares, Oxurion NV owns 10,773 shares or 89.59%. We refer to note 3.6.5 for more details.

Key Agreements, Commitments and Contingent Liabilities

The Group has a number of material agreements with third parties.

Please find below an overview of Oxurion's material agreements. An agreement is considered as "material" when the contractual commitments reach over 1 million euro, or in case of a new agreement, when such an impact is expected in the 12-month period after the reporting date.

Note that certain agreements may include sharing of R&D costs and/or sharing of revenue. Although these agreements may include the establishment of a joint committee which monitors the joint activities, these arrangements are out of the scope of IFRS 11 "Joint Arrangements", as the Company has concluded that no joint control exists.

Research and Development Agreements

Bicycle Therapeutics

In August 2013, Oxurion entered into a research collaboration and license agreement with Bicycle Therapeutics ("Bicycle Collaboration Agreement"). Under this agreement, Bicycle is responsible for identifying Bicycle-peptides related to the collaboration target, human plasma kallikrein, for use in various indications. Oxurion is responsible for further development and product commercialization after the defined research screening is performed by Bicycle.

The collaboration includes two stages. During Stage 1, which has been completed, Bicycle was obligated to perform specific research activities in accordance with the research plan focused on screening the target using the Bicycle platform to identify compounds that meet the criteria set by the parties. During Stage 2, which is ongoing, Oxurion has continued research activities on selected Bicycle-peptides with the goal of identifying compounds for further development and commercialization. THR-149 has been selected as a development compound under the Bicycle Collaboration Agreement.

Bicycle granted certain worldwide intellectual property rights to Oxurion for the development, manufacture and commercialization of licensed compounds associated with plasma kallikrein.

The Bicycle Collaboration Agreement provided an upfront payment of 1.0 million euro and potential additional research and development funding, at an agreed upon FTE rate, should the research effort require more than one FTE, or the research plan be amended or extended by Oxurion. In addition, Oxurion is required to make certain milestone payments to Bicycle upon the achievement of specified research, development, regulatory and commercial milestones. In addition, to the extent any of the collaboration products covered by the licenses granted to Oxurion are commercialized, Bicycle would be entitled to receive tiered royalty payments of mid-single digits based on a percentage

of net sales. Royalty payments are subject to certain reductions. Also, if Oxurion grants a sublicense to a third party for rights to the program for non-ophthalmic use, Bicycle would be entitled to receive tiered payments of mid-single digits to low-double digits (no higher than first quartile) based on a percentage of non-royalty sublicensing income.

In November 2017, the parties entered into an amendment to the Bicycle collaboration agreement. This amendment provides for additional research services to be performed by Bicycle related to the identification of additional Bicycle-peptides binding to the target for Oxurion, in its discretion, to select as development compounds. Bicycle was obligated to perform the work in accordance with an amended research plan under Stage 1 of the collaboration and was funded at a specified FTE rate, plus any direct out of pocket expenses, and Oxurion will be responsible for Stage 2 research and any development after the selection of a development compound. Bicycle has completed Stage 1 of the research plan. Additional milestones were added for the potential additional licensed compounds, consistent with those of the initial Bicycle Collaboration Agreement.

Based on IAS 38 "Intangible assets", Oxurion has not acquired a separate intangible asset that meets the definition of IAS 38, and therefore these expenses are recorded under R&D expenses. So far, the following upfront and milestones to Bicycle were recognized: 1.0 million euro in 2013, 0.750 million euro in 2017, 1.0 million euro in 2018 and 2.0 million in 2020. These were all expensed as R&D costs.

Galapagos

Oxurion signed a global and exclusive in-licensing agreement with Galapagos to develop and commercialize integrin antagonists for the treatment of diseases, disorder, states or conditions in humans ("Galapagos License Agreement"). The Company's THR-687 program is a result of this agreement.

The license agreement gives Oxurion access to a collection of integrin antagonists developed by Galapagos that Oxurion is using in its R&D activities. Oxurion believes that by gaining access to these molecules, including THR-687, the most advanced drug candidate, it has the potential to develop a novel small molecule integrin antagonist that could be used to treat a broad range of patients with vascular retinal disorders. Oxurion has obtained the exclusive rights for the clinical development, manufacturing and commercialization under this agreement, while Galapagos is entitled to a non-refundable upfront fee for technology access, development milestone payments and tiered sales milestone payments as well as market conforming royalties on sales over the period of 10 years from the first sale.

In September 2017, the parties entered into an amendment to the Galapagos License Agreement. According to this amendment, Oxurion has taken over the prosecution and maintenance of the licensed patents and consequently has acquired all rights in the licensed patents with effective date as of September 25, 2017. Oxurion will be entitled to deduct its documented and reasonable costs for prosecution and maintenance for the licensed patents from the royalty due and payable to Galapagos under the Galapagos License Agreement.

Oxurion has paid to Galapagos an upfront fee of 1.0 million euro in April 2016, upon Galapagos supplying to Oxurion the licensed compounds, including THR-687, and all data and manufacturing know-how related to the licensed compounds, which was capitalized as an intangible asset as it meets the conditions of a separately acquired intangible asset under IAS 38, par. 25. Galapagos has no further performance obligations for development services. Since no commercialization was achieved and no profit was generated, no amortization was recorded so far. Until now, no other advance payments have been paid to Galapagos.

The future milestones must be assessed to determine if they meet the capitalization criteria under IAS 38, once they are paid. We refer to the accounting policy section on intangible assets for more details.

BioInvent

In September 2004, Oxurion and BioInvent International AB entered into a collaboration and research and license agreement to cooperate on research and to jointly develop drugs based on antibodies for vascular disorders ("2004 Agreement"). TB-403, a humanized monoclonal antibody directed against placental growth factor (PlGf), is the only antibody that was developed under the 2004 Agreement. In 2017, the parties replaced the 2004 Agreement by two new agreements: the TB-403 collaboration research and license agreement ("TB-403 Agreement") and the THR-317 license and release agreement ("THR-317 Agreement").

Under the TB-403 Agreement (which was assigned by Oxurion to its subsidiary Oncurious NV in line with the corporate strategy to focus all oncological R&D activities in Oncurious), Oncurious and BioInvent have jointly developed TB-403 for the possible treatment of medulloblastoma, the most common pediatric malignant brain tumor, accounting for 20% of all brain tumors in children (the "Medulloblastoma Project"). All costs and possible revenues under this program are equally shared between the parties.

On December 27, 2020, the Parties agreed to terminate the TB-403 agreement and to release BioInvent from any further obligations under that agreement effective March 31, 2019. BioInvent made a payment of 0.3 million euro and granted Oncurious a world-wide exclusive license with the right to sublicense all TB-403 related intellectual property and technology for the research, Development, Commercialization and Manufacture of TB-403. Oncurious agreed to pay BioInvent 50% of all future revenue from TB-403 after the deduction of all costs incurred by Oncurious after March 31, 2019.. The termination has no impact on the THR-317 Agreement or the parties rights and obligations under that agreement.

Under the THR-317 Agreement, Oxurion has an exclusive right and license to exploit THR-317 in all possible uses and indications whatsoever, with the sole exception of oncological indications. Oxurion bears all costs for the development of THR-317 in non-oncology indications and BioInvent is entitled a 5% royalty from any net sales or revenues generated with THR-317 in non-oncological indications.

For TB-403, 0.076 million euro in 2019 was paid to BioInvent and recorded as R&D expense in the income statement to account for BioInvent's R&D expenses under the agreed cost split. In light of the termination of the TB-403 agreement, no payments were made in 2020 other than the Termination Payment from BioInvent to Oncurious. Thus far, there have been no development expenditures that meet the definition of an intangible asset under IAS 38, and there are no revenues generated, and consequently no payment is yet to be made to BioInvent.

For THR-317, Oxurion incurred a cost of 0.6 million euro in 2020, and 3.6 million euro in 2019. These costs were solely borne by Oxurion and booked as R&D cost. Thus far, there have been no development expenditures that meet the definition of an intangible asset under IAS 38, and there are no revenues generated, and consequently no royalty has been paid to BioInvent. Oxurion decided in 2019 to stop making further investments in THR-317.

License, Development and Commercial Agreement

Eumedica and Inceptua

In June 2018, Oxurion and Eumedica entered into an exclusive commercial agreement, pursuant to which Eumedica agreed to provide distribution services for JETREA® ("2018 Agreement"). Eumedica acts as an agent of Oxurion, as Oxurion takes primary responsibility for product quality, inventory risk, and has discretion in establishing the sales price. The arrangement has the characteristics of a consignment where Eumedica does not have control of the product, and Oxurion can direct its use and ask for its return. Eumedica collects payments from end-customers for Oxurion. Eumedica charges a monthly

distribution fee that covers the services provided including: customer service, shipment preparation, packaging, storage, labeling/repackaging, administration, destruction & waste handling, etc.

Under IFRS 15, Oxurion has only one performance obligation, which is to deliver the product to the end-customer. This performance obligation is satisfied when Eumedica transfers (delivers) the product to the end-customer, as this is the moment when the customer obtains the control over the product. Therefore, revenue is recognized for the price of the product at the point in time when it is delivered by Eumedica to the end-customer. While inventory is located at Eumedica, it is recognized as inventory of Oxurion due to consignment terms. Eumedica fees are recognized partly under distribution costs and partly under selling expenses, as they are charged on a monthly basis.

For 2020, Oxurion paid 0.79 million euro (2019: 0.112 million euro) for distribution costs, 0.327 million euro (2019: 0.330 million euro) for selling expenses and received 1.701 million euro (2019: 2.723 million euro) revenue for the select number of markets served by Eumedica.

On March 12, 2020, Oxurion entered into an exclusive license with Inceptua for the commercialization and marketing of JETREA® outside of the US in certain transfer countries. Transfer countries include all countries of the European Union, Norway, Liechtenstein, Switzerland, the UK and Australia and sales may also be made in non-approved countries on a named patient basis under respect of applicable law. The parties further agreed that Oxurion would withdraw the marketing authorizations in the US and Canada and would transfer the EMEA marketing authorization to Inceptua. The license became effective on September 15, 2020 when the EMEA market authorization was transferred. Under the terms of the agreement, Inceptua purchases JETREA® from Oxurion in final product form for a fixed amount per vial and pays Oxurion a market rate royalty on sales based on quarterly royalty reports.

As a result of its agreement with Inceptua, Oxurion entered into a tripartite agreement with Eumedica and Inceptua pursuant to which Eumedica provides certain packaging, labelling and storage services directly to Oxurion and purchases the finished product from Oxurion and sells its to Inceptua (the "Tripartite Agreement"). The Tripartite Agreement replaces the 2018 Agreement. Eumedica also provides certain services to Oxurion on behalf of Inceptua, including storage, customer services and delivery, which are re-charged to Inceptua.

After a transition period which was completed in December 2020, Oxurion's obligations under the Tripartite Agreement will be limited to supply of the JETREA® product to Inceptua until 2023 or potentially longer if Inceptua obtains a shelf life extension. All other activities related to JETREA® will be transferred to Inceptua or will cease.

Under IFRS 15, Oxurion's only performance obligation is to deliver final products to Inceptua. This obligation is completed when Eumedica sells the products to Inceptua. Oxurion therefore recognizes the revenue from the sale of the goods when the assets are sold by Eumedica to Inceptua. Royalties are recognised quarterly upon reception of royalty report from Inceptua.

From September 15, 2020, Oxurion received 0.060 million euro royalties for the select number of markets served by Inceptua.

Alcon/Novartis

Initial agreement (2012 – September 2017)

In March 2012, Oxurion signed a 375 million euro strategic license agreement with Alcon/Novartis, the global leader in eye care, under which Alcon/Novartis was entitled and obligated to register, develop and commercialize JETREA® outside the US. Upon execution of the license agreement, Oxurion received an upfront payment of 75.0 million euro. Upon the first approval by the EMA for JETREA® and the first commercial sale of JETREA® in the first country of the EU-6, the Company received further milestone payments by Alcon/Novartis amounting to 90.0 million euro in aggregate. The agreement also stipulated additional sales milestones, and royalties on net sales. Under IAS 18 "Revenue", the following revenue recognition policy was applied:

- The upfront payment was recognized at the point in time as license income, as it relates to delivery of a right to use an asset to Alcon/Novartis. The license was completed in full with the transfer of the license to Alcon/Novartis in March 2012. From that moment on, Alcon/Novartis controlled and had the risks and rewards from operating the license. There were no additional obligations for Oxurion in connection with the transfer of the license or other services after the receipt of the payment.
- The milestones relating to regulatory approval were not probable until approval was obtained. The milestone was recognized as revenue when regulatory approval was received. There were no pending obligations for Oxurion in connection with the transfer of the license or other services after the receipt of these milestone payments.
- The sales milestone was not recognized as revenue as the sales targets were not reached.
- Revenue from the sale of commercialized product was recognized as revenue upon delivery to Alcon/Novartis, as this was when Oxurion transferred the significant risks and rewards to Alcon/Novartis.
- Any royalty income was recognized as revenue when the underlying sales were made by Alcon/Novartis, since the probable inflow and reliable measurement recognition criteria were unlikely to be met before the sales were made.

In 2017, Oxurion did not sell any vials to Alcon/Novartis under this initial agreement, until the settlement date. Subsequent sales were made under the new profit transfer agreement, the terms of which are explained further below.

Settlement agreement (September 2017)

Since January 2015, the Company was involved in a nascent dispute with Alcon/Novartis, concerning costs to be paid by Alcon/Novartis for the drug product JETREA® under the licensing agreement. On September 15, 2017, the parties entered into a contractual settlement arrangement on the basis of which the licensing agreement was terminated and Oxurion regained full global rights to JETREA®. Under the terms of the settlement agreement, Alcon/Novartis was required to work closely with Oxurion to ensure continuity and access to JETREA® for existing and future customers during a transition period of up to two years. As a settlement, Oxurion received a cash amount of 53.7 million euro and an equity investment of 10.0 million euro in Oxurion capital from Novartis Pharma AG. The equity increase was made at the market price of the shares. The cash settlement of 53.7 million euro relates to:

- 3.2 million euro of compensation for historical purchase price adjustments and was recorded in revenue in 2017.
- 4.5 million euro for obsolescent drug materials was recorded in other income, as this was a compensation for historical obsolete inventory. The sharing of these costs was agreed in the settlement negotiations.

- 45.0 million euro in compensation for ending the JETREA® ex-US commercialization agreement and this was recorded under other income.

All these payments are non-refundable payments, related to a compensation for past events, and there are no performance obligations for Oxurion in relation to these payments. This settlement agreement supersedes the initial license and distribution agreement signed in March 2012. As from the date of the settlement agreement in September 2017, there are no performance obligations for any party under the terms of the initial license and distribution agreement. Therefore, this settlement agreement is to be considered as a legal extinguishment, and income was fully recognized in 2017.

After a phase out period lasting from September 2017 through the end of 2019, Oxurion took over the distribution of JETREA® to end-customers. In 2020, this was transferred globally to Inceptua under the terms of the global license.

Clinical Trial Agreements

INC Research (Syneos Health)

INC Research provides clinical research services for the development of THR-317, THR-149 and THR-687. Services are billed on a project basis via Statements of Work based on a Services Agreement for Clinical Research and Related Services dated as of August 19, 2016. Based on IAS 38 "Intangible assets", the costs paid to INC Research are not made in order to acquire an asset, or to increase economic benefits already embodied into an asset. Rather, they are an outsourced R&D cost. Therefore, such costs are expensed to the income statement as R&D expenses, as incurred. In case of prepayments, an asset is recognized for such prepayment, and prepayment is released to income statement as costs are incurred. In 2020 and 2019, 3.2 million euro and 2.6 million euro were paid respectively to INC Research and recognized as R&D expenses. At year-end 2020, a prepayment in the amount of 0.495 million euro is recorded on the balance sheet.

Parexel

Parexel provides clinical research services for the development of ocriplasmin in Diabetic Retinopathy. Services are billed on a project basis via Statements of Work based on an Agreement for Services dated as of September 1, 2015. Services relate to the study in order to evaluate the effect of ocriplasmin. Oxurion makes advance payments to Parexel for any payments that Parexel needs to make to third parties involved in the study.

Based on IAS 38 "Intangible assets", the costs paid to Parexel are not made in order to acquire an asset, or to increase economic benefits already embodied into an asset. Therefore, such costs are expensed to the income statement as R&D expenses, as incurred. In case of prepayments, an asset is recognized for such prepayment, and prepayment is released to income statement as costs are incurred. In 2020 and 2019, 0.2 million euro and 1.1 million euro was paid respectively to Parexel and recognized as R&D expenses.

Academic Agreements

The Company has concluded agreements with various academic institutions that are interested in the study of drug candidates, including the following:

Flanders Institute for Biotechnology (VIB)

The Company has concluded agreements with the Vesalius Research Center (formerly the Dept. of Transgene Technology and Gene Therapy), a department of the VIB, relating to the preclinical characterization of two of the programs under license with this institute, i.e. Anti-PlGF and PlGF.

In December 12, 2017, Oncurious NV, an affiliate of Oxurion NV, and VIB entered into a research collaboration and license agreement on the basis of which Oncurious acquired exclusive licenses to a portfolio of five unique next generation immuno-oncology assets, based on seminal work originating from the VIB-KULeuven labs of Massimiliano Mazzone and Gabriele Bergers, and from the VIB-VUB lab of Jo Van Ginderachter.

In the context of the above mentioned research collaboration and license agreement, VIB has been granted 2 call options from Oxurion NV for an aggregate maximum of 1,230 shares in Oncurious, subject to the achievement of certain milestones linked to the achievement of (1) one, or (2) more Proof of Concepts (Call Option agreement of December 12, 2017). The contract also provides for low single digit royalties once sales are achieved.

On October 22, 2020, Oncurious announced the achievement of a first preclinical proof of concept for its immuno-oncology program aimed at depleting regulatory T cells (Tregs) by targeting C-C motif chemokine receptor 8 (CCR8). Consequently, at year end 2020, VIB is entitled to execute a call option of 680 shares. Post-closing VIB indicated it is executing the first option in full. The remaining second call option of 550 shares remains to be achieved.

At year-end 2020, the net carrying amount of the VIB IP license amounted 1.127 million euro, compared with 0.982 million euro in 2019.

During 2020 and 2019, Oxurion has paid 0.343 million euro and 0.448 million euro of R&D costs respectively to VIB in relation to this research program.

Other Commitments

Research and development commitments

As at December 31, 2020, the Group had commitments outstanding in the context of research and development agreements amounting to 8.033 million euro compared to 4.325 million euro in 2019, payable over the course of the following 12 months to various research subcontractors.

Contingent liability

The expenses incurred in several of the Group's research and development programs have been reimbursed by VLAIO, formerly known as IWT, as a government grant. Contracts with VLAIO generally include a clause that defines the need for validation of the project results in order for the grant to be effectively earned. Should this validation not occur, VLAIO has the right to reclaim the funds previously granted. The Group considers this as a remote possibility. Please refer to the accounting policy described in section 5.5.3.H and the rationale used in order to recognize grant income over the course of the project. Total amounts received in 2020 with respect to government grants from VLAIO amount to 0.441 million euro, compared to 0.512 million euro in 2019.

Related parties

Other than Board Members (see note 4.7.3), no other related parties have been identified.

Subsequent events

On April 1, 2021, the Company has secured committed equity funding of up to 30 million euro by signing binding heads of terms with a third party.

Done on April 1, 2021,
On behalf of the Board of Directors

STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING FOR THE YEAR ENDED 31 DECEMBER 2020 (CONSOLIDATED FINANCIAL STATEMENTS)

In the context of the statutory audit of the consolidated financial statements of Oxurion NV ('the Company') and its subsidiaries (together referred to as 'the Group'), we hereby present our statutory auditor's report. It includes our report of the consolidated financial statements and the other legal and regulatory requirements. This report is an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting of 7 May 2019, following the proposal formulated by the board of directors issued upon recommendation of the Audit Committee. Our statutory auditor's mandate expires on the date of the General Meeting deliberating on the financial statements closed on 31 December 2021. We have performed the statutory audit of the consolidated financial statements of the company Oxurion NV for eleven consecutive years.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Unqualified opinion

We have performed the statutory audit of the Group's consolidated financial statements, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income , the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of 34.284 (000) EUR and for which consolidated income statement and other comprehensive income shows a loss for the year of 28.560 (000) EUR.

In our opinion, the consolidated financial statements give a true and fair view of the Group's net equity and financial position as at 31 December 2020, as well as of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) as applicable in Belgium. Our responsibilities under those standards are further described in the 'Statutory auditor's responsibilities for the audit of the consolidated financial statements' section in this report. We have complied with all the ethical requirements that are relevant to the audit of consolidated financial statements in Belgium, including those concerning independence.

We have obtained from the administrative body and company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to section 5.5.3 (C) in the Consolidated Financial Statements, which indicates that the Group experienced recurring net losses and negative cash flows from operations, and is expecting the same for at least the next twelve months. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. However, the Group decided to maintain its valuation rules in the assumption of going concern, since the Board was able to assure access to committed equity funding until at least mid 2022. This going concern assumption is justified to the extent that this equity funding will be effectively realized. Our opinion is not modified in respect of this matter.

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. 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 these matters.

ACCOUNTING TREATMENT OF REVENUE STREAMS AFTER ENTERING INTO A LICENSE AGREEMENT FOR THE DISTRIBUTION OF THE PRODUCT JETREA (OCRIPLASMIN)

Discussion of the matter

Oxurion has entered into a global commercial license agreement for the distribution of JETREA with Inceptua, a global pharmaceutical company and service partner. The agreement started on 15 September 2020. Subsequently Oxurion has entered into a commercial tripartite services agreement to support Oxurion regarding the sale of products.

These agreements and the accounting treatment was significant to our audit procedures, because these are new revenue streams for the company.

Procedures performed

Our audit procedures included, amongst others:

- We have analyzed the agreements, assisted by experts in IFRS at our firm, to create an understanding of the impact on the financial statements and its disclosures.
- We have reviewed the accounting treatment as presented by the management, and in particular the revenues recognized in line with the accounting and valuation rules as adopted by the Company in accordance with IFRS.
- We assessed the adequacy of the Company's disclosures in Note 5.6.1 of the Consolidated Financial Statements.

Responsibilities of the administrative body for the drafting of the consolidated financial statements

The administrative body is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory provisions applicable in Belgium, and for such internal control as the administrative body determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, the administrative body is responsible for assessing the Group'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 the administrative body either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs 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.

When executing our audit, we respect the legal, regulatory and normative framework applicable for the audit of the consolidated financial statements in Belgium. However, a statutory audit does not guarantee the future viability of the Group, neither the efficiency and effectiveness of the management of the Group by the administrative body. Our responsibilities with respect to the administrative body's use of the going concern basis of accounting are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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;
- Obtain 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 Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the administrative body;
- Conclude on the appropriateness of the administrative body'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 Group's ability to continue as a going concern.
- If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain 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. We are responsible for the management, the supervision and the performance of the Group audit. We assume full responsibility for the auditor's opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during the audit.

We also provide the Audit Committee with a statement that we respected the relevant ethical requirements relating to independence, and we communicate with them about all relationships and other issues which may influence our independence, and, if applicable, about the related measures to guarantee our independence.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year, and are therefore the key audit matters. We describe these matters in our statutory auditor's report, unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Responsibilities of the administrative body

The administrative body is responsible for the preparation and the contents of the management report on the consolidated financial statements and for the other information included in the annual report on the consolidated financial statements.

Responsibilities of the statutory auditor

In the context of our mission and in accordance with the Belgian standard (version revised 2020) which is complementary to the International Standards on Auditing (ISA) as applicable in Belgium, it is our responsibility to verify, in all material aspects, the management report on the consolidated financial statements and the other information included in the management report on the consolidated financial statements, as well as to report on this element these elements.

Aspects relating to the management report on the consolidated financial statements and to the other information included in the annual report on the consolidated financial statements

In our opinion, after having performed specific procedures in relation to the management report, this report is consistent with the consolidated financial statements for the same financial year, and it is prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge we have obtained during the audit, whether the management report on the consolidated financial statements and the other information included in the annual report on the consolidated financial statements, namely:

- Chapter 3.1 Key Figures
- Chapter 3.3 Comments to Consolidated Financial Statements
- Chapter 3.5 Description of the Principal Characteristics of the Company's Risks

contain a material misstatement, i.e. information which is inadequately disclosed or otherwise misleading. Based on the procedures we have performed, there are no material misstatements we have to report to you.

Statement concerning independence

- Our audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated financial statements and our audit firm remained independent of the Group during the terms of our mandate.
- The fees related to additional services which are compatible with the statutory audit as referred to in article 3:65 of the Code of companies and associations were duly itemised and valued in the notes to the consolidated financial statements.

Other statements

- This report is in compliance with the contents of our additional report to the Audit Committee as referred to in article 11 of regulation (EU) No 537/2014.

Zaventem, 2 April 2021

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

ABBREVIATED STATUTORY FINANCIAL STATEMENTS

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The Annual Accounts of Oxurion NV are presented in an abbreviated form.

The Annual Report, the Annual Accounts and the opinion of the statutory auditor are deposited at the National Bank of Belgium in accordance with Articles 98 and 100 of the Belgian Companies Code.

The full version of the statutory Annual Accounts and the reports are available free of charge for the public in English and Dutch upon request to:

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There is also an electronic version of the full Statutory Annual Report and the reports which can be obtained via the internet from the Oxurion's website (www.oxurion.com). The statutory financial statements as filed with the Belgian National Bank are based upon Belgian GAAP. An unqualified audit opinion was issued by the statutory auditor.

7.1 BALANCE SHEET OF OXURION NV

IN '000 EURO (AS AT 31 DECEMBER)	2020	2019
ASSETS		
Fixed Assets	12,425	10,062
Intangible fixed assets	1,000	2,384
Tangible fixed assets	196	326
Financial fixed assets	11,230	7,352
Current assets	28,629	59,270
Amounts receivable after more than one year	3,372	3,123
Inventories and work in progress	161	97
Amounts receivable within one year	1,034	3,205
Current investments	278	10,432
Cash and banks	23,707	42,226
Deferred charges and accrued income	77	186
TOTAL ASSETS	41,054	69,332
	0	0
LIABILITIES	0	0
Equity	33,956	60,859
Capital	55,326	111,057
Share premium account	0	0
Reserves	5,533	0
Accumulated profits (losses)	-26,903	-50,198
Amounts payable	7,098	8,474
Amounts payable after more than one year	0	0
Amounts payable within one year	6,263	6,647
Accrued charges and deferred income	836	1,827
TOTAL LIABILITIES	41,054	69,332

7.2 INCOME STATEMENT OF OXURION NV

IN '000 EURO (FOR THE YEAR ENDED 31 DECEMBER)	2020	2019
Operating income and charges		
Gross margin	-330	-3,858
Remuneration, social security costs and pensions	-7,336	-8,417
Depreciation of and amounts written off formation expenses, intangible and tangible fixed assets	-17,761	-19,909
Amounts written down stock, contracts in progress and trade debtors - Appropriations (write-backs)	-697	-577
Other operating charges	-112	-1,443
Non-recurring operating charges / operating income	-1,371	-16,886
Operating profit (loss)	-27,607	-51,089
Financial income	481	544
Financial charges	-371	-373
Profit (loss) for the period before taxes	-27,497	-50,917
Income taxes	594	719
Profit (loss) for the period	-26,903	-50,198
Profit (loss) for the period available for appropriation	-26,903	-50,198

7.3 APPROPRIATION ACCOUNT OF OXURION NV

IN '000 EURO (FOR THE YEAR ENDED AT 31 DECEMBER)	2020	2019
Profit (loss) to be appropriated	-77,101	-87,131
Gain (loss) to be appropriated	-26,903	-50,198
Profit (loss) to be carried forward	-50,198	-36,933
Transfers from capital and reserves	50,198	36,933
from capital and share premium account	50,198	36,933
from reserves	0	0
Profit (loss) to be carried forward	-26,903	-50,198

7.4 KEY VALUATION PRINCIPLES

INTANGIBLE ASSETS

Internally generated intangible assets

Research costs are charged to the income statement as incurred.

An internally generated intangible fixed asset (see note 5.7.3) which arises from development activities undertaken in the Group is recognized only if all of the following conditions are met:

- Technical possibility of making the intangible asset ready for use;
- Intention is to complete the intangible asset and use or sell it;
- Possibility of using or selling the intangible asset;
- Probabilty that the intangible asset will generate future economic benefit or demonstrate the existence of a market;
- Availability of adequate technical, sufficient financial resources to complete the development; and
- Availability to reliably measure the attributed expenses for this intangible asset during development.

Patent costs for protecting intangible assets are recognized as an expense.

After their initial recording on the balance sheet, intangible assets are valued at cost less accumulated depreciation and accumulated impairment losses. Depreciation of capitalized development costs are recognized in the income statement under 'Research and Development Expenses'.

The capitalized costs are amortized over the life of a patent as of the moment that it will generate revenue.

Where the criteria for capitalization of the research and development expenses are not met, these expenses are recorded as incurred during the period.

Oxurion has capitalized ocriplasmin clinical study costs since 2008 due to the fact that this project was at that moment in Phase 3 and future commercialization was estimated to be highly probable. The intangible assets consist of external study and production costs with subcontractors and internal development costs regarding all projects in Phase 3. An impairment test determined that the value of these assets was no longer justified and as a consequence these assets were written off on June 30, 2019.

Intangible assets purchased

Computer software licenses acquired are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful life which is typically considered to be three years.

Knowledge acquired in the form of licenses is recorded at cost less accumulated amortization and impairment. These amounts are amortized on a straight-line basis over their estimated useful life, which is the period over which the Group expects to receive economic benefits from such licenses.

TANGIBLE ASSETS

Property, plant and equipment are included at the historical cost (material costs only) less accumulated depreciation. Subsequent costs are included in the carrying amount for the asset or booked as a separate asset as appropriate, but only when it is probable that future economic benefits associated with the item will be generated for the Group and the cost price of the item can be measured reliably. All other repair and maintenance costs are charged to the income statement as incurred. The cost of assets retired or otherwise disposed of and the related accumulated depreciation are included in the income statement as part of the gain or loss on disposal in the year of disposal. Gains and losses on disposal of property, plant and equipment are included in other income or expense.

Depreciation is calculated using the straight-line method to allocate the cost of property, plant and equipment to their estimated residual values over their estimated useful lives as follows:

- Property, plant and equipment: 3 to 5 years
- Furniture and fittings: 3 to 5 years

The depreciation and amortization methods, useful life and residual value are re-valued on each reporting date.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are expensed as incurred.

INVENTORIES

Raw and ancillary materials and commodities are stated at the lower of cost or net realizable value. The inventory costing system is based on the FIFO-method.

Goods in process and finished goods are stated at the standard manufacturing cost or net realizable value. The inventory costing system is based on the FIFO-method.

Net realizable value test is performed each reporting period. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The standard manufacturing price of the goods in process and of the finished goods, includes (i) the acquisition value of the raw materials, consumables and ancillary materials, (ii) the production costs which are directly attributable to the product, and (iii) the proportioned part of the production costs which are only indirectly attributable to the product, in so far that these costs cover the normal production period.

The standard manufacturing price is compared to the actual manufacturing price on annual basis. The difference results in an adjustment of the value of the inventory.

TRADE RECEIVABLES

When initially recognized, trade receivables are measured at fair value, and are subsequently measured at amortized cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are included in the income statement when there is objective evidence that the asset is impaired. Allowance for bad debts are booked on the basis of an estimate of lifetime credit losses at each reporting date, taking into account the payment history of the other party. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Impairment losses are generally recorded on receivables in the event of insolvency or similar proceedings being launched, financial restructuring at business partners, or the initiation of enforcement measures. Payment history and past-due receivables are also analyzed, with customer-specific facts assessed in each case.

INVESTMENTS

The investments are held as available for sale and annual closing date stated at market value. The fair value adjustment is included in other reserves until the investment is derecognized or has been impaired. The impairment is included in the income statement.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise demand deposits and other short-term, highly liquid investments (with less than three months to maturity) that are readily convertible into a known amount of cash and are subject to an insignificant risk of fluctuations in value.

FINANCIAL LIABILITIES AND EQUITY

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

TRADE PAYABLES

Trade payables are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method.

TAX CREDIT RECEIVABLES AFTER MORE THAN ONE YEAR

In the past, the tax credit to be received was recorded under accrued income (#491).

As from 2018, based on the CBN opinion 2018/02, published on March 21, 2018, the tax credit to be received within one year is recorded under taxes and withholding taxes to be recovered (#412). To the extent that the repayment is estimated to occur only after more than one year, this receivable is recorded as other receivables after more than one year (#291).

GLOSSARY

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AGM	Annual General Meeting
AMD	Age-related macular degeneration
Anti-VEGF	Anti–vascular endothelial growth factor therapy
BCC	Belgian Companies and Associations Code (adopted 1 May 2019), also referred as the "Belgian Companies Code."
BCVA	Best Corrected Visual Acuity
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGU	Cash Generating Unit
Charter	Oxurion Corporate Governance Charter
CMO	Chief Medical Officer
Code	Oxurion Code of Business Conduct
CST	Central Subfield Thickness
DBO	Defined Benefit Obligation
DME	Diabetic Macular Edema
DR	Diabetic Retinopathy
Dry AMD	Dry age-related macular degeneration
ECL	Expected credit losses on financial assets
EIR	Effective interest rate
EGM	Extraordinary General Meeting
EU	European Union
ERP	Enterprise resource planning
Executive Committee	CEO and his direct reports (also referred to as "Executives")
Executive Team	CEO and all executive board members, currently only the CEO
EMA	European Medicines Agency
FDA	US Food and Drug Administration
FSMA	Financial Services and Markets Authority (Belgium)
GLP	Good Laboratory Practice
GMP	Good Manufacturing Practice
GDPR	General Data Protection Regulation
HR	Human Resources
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IBR	Institute for company revisors
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IP	Intellectual Property
IT	Information Technology
IWT	Institute for the Promotion of Innovation in Science and Technology in Flanders

KALAHARI Study	Clinical study of THR-149 for DME
KULeuven	Catholic University of Leuven
MBA	Master of Business Administration
MIVI-TRUST	Microplasmin for Intravitreal Injection – Traction Release without Surgical Treatment
NGO	Non-Governmental Organization
NPDR	Non-Proliferative Diabetic Retinopathy
NV	Naamloze Vennootschap, public limited company
OASIS	Ocriplasmin for Treatment for Symptomatic Vitreomacular Adhesion including Macular Hole study
OCI	Other Comprehensive Income
Ophthalmology	The branch of medicine that deals with the diagnosis, prevention, and treatment of disorders of the eye
ORBIT	Ocriplasmin Research to Better Inform Treatment study
OZONE	Ocriplasmin Ellipsoid Zone Retrospective Data Collection study
PDR	Proliferative Diabetic Retinopathy
PlGF	Placental Growth Factor
PVD	Posterior Vitreous Detachment
Regulator	FDA, EMA and other similar regulatory agencies
R&D	Research and Development
RVO	Retinal Vein Occlusion
SPPI	Solely payments of principal and interest
tPA	Tissue Plasminogen Activator
µm	Microns
VA	Visual Acuity
VEGF	Vascular Endothelial Growth Factor
VIB	Flanders Institute for Biotechnology
VLAIO	Flanders Innovation & Entrepreneurship
VMA	Vitreomacular adhesion
VMT	Vitreomacular traction
Wet AMD	Wet Age-related Macular Degeneration

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ENHANCING VISION.