INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Auditor Name: Ernst & Young et Autres

Auditor Location: Courbevoie, France

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Supervisory Board and Shareholders of Nanobiotix S.A.,

Opinion on the Financial Statements

We have audited the accompanying statements of consolidated financial position of Nanobiotix S.A. ("the Company") as of December 31, 2022 and 2021, the related statements of consolidated operations, comprehensive income (loss), changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022 and 2021, and the results of its consolidated operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and in accordance with International Financial Reporting Standards as endorsed by the European Union.

The Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has suffered recurring losses from operations, has a working capital deficiency, and has stated that substantial doubt exists about the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Ernst & Young et Autres

Ernst & Young et Autres

Ernst & Young et Autres has served as the Company's auditor since 2012.

Paris-La Défense, France

April 24, 2023

STATEMENTS OF CONSOLIDATED FINANCIAL POSITION

(Amounts in thousands of euros)

	Notes	As of December 31, 2022	As of December 31, 2021
ASSETS			
Non-current assets			
Intangible assets	**5**	1	4
Property, plant and equipment	**6**	7,120	8,186
Non-current financial assets	**7**	291	519
Total non-current assets		**7,412**	**8,709**
Current assets			
Trade receivables	**8.1**	101	—
Other current assets	**8.2**	10,868	9,139
Cash and cash equivalents	**9**	41,388	83,921
Total current assets		**52,358**	**93,060**
TOTAL ASSETS		**59,769**	**101,769**

	Notes	As of December 31, 2022	As of December 31, 2021
LIABILITIES AND SHAREHOLDER'S EQUITY			
Shareholders' equity			
Share capital	**10.1**	1,046	1,045
Premiums related to share capital	**10.1**	255,760	255,767
Accumulated other comprehensive income		700	643
Treasury shares		(228)	(202)
Reserve		(227,282)	(183,459)
Net loss for the period		(57,041)	(47,003)
Total shareholders' equity		**(27,045)**	**26,790**
Non-current liabilities			
Non-current provisions	**11.2**	270	318
Non-current financial liabilities	**12**	48,608	37,816
Total non-current liabilities		**48,878**	**38,134**
Current liabilities			
Current provisions	**11.1**	327	110
Current financial liabilities	**12**	4,560	8,204
Trade payables and other payables	**13.1**	9,621	6,482
Other current liabilities	**13.2**	6,855	5,277
Deferred income	**13.3**	55	254
Current contract liabilities	**13.3**	16,518	16,518
Total current liabilities		**37,936**	**36,845**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**59,769**	**101,769**

The accompanying notes form an integral part of these audited consolidated financial statements.

STATEMENTS OF CONSOLIDATED OPERATIONS

(Amounts in thousands of euros, except per share numbers)

		For the year ended December 31,		
	Notes	2022	2021	2020
Revenues and other income				
Revenues	**15**	—	10	50
Other income	**15**	4,776	2,637	2,462
Total revenues and other income		**4,776**	**2,647**	**2,512**
Research and development expenses	**16.1**	(32,636)	(30,378)	(24,330)
Selling, general and administrative expenses	**16.2**	(17,857)	(19,434)	(14,611)
Other operating income and expenses	**16.5**	(985)	(5,414)	—
Total operating expenses		**(51,478)**	**(55,226)**	**(38,941)**
Operating income (loss)		**(46,702)**	**(52,579)**	**(36,428)**
Financial income	**18**	3,533	6,360	201
Financial expenses	**18**	(13,863)	(780)	2,646
Financial income (loss)		**(10,329)**	**5,580**	**2,847**
Income tax	**19**	(10)	(5)	(9)
Net loss for the period		**(57,041)**	**(47,003)**	**(33,590)**
Basic loss per share (euros/share)	**21**	**(1.64)**	**(1.35)**	**(1.38)**
Diluted loss per share (euros/share)	**21**	**(1.64)**	**(1.35)**	**(1.38)**

The accompanying notes form an integral part of these audited consolidated financial statements.

STATEMENTS OF CONSOLIDATED COMPREHENSIVE INCOME (LOSS)

(Amounts in thousands of euros)

		For the year ended December 31,		
	Notes	**2022**	**2021**	**2020**
Net income (loss) for the period		**(57,041)**	**(47,003)**	**(33,590)**
Actuarial gains and losses on retirement benefit obligations (IAS 19)	**11.1**	126	182	(4)
Tax impact		—	—	—
Other comprehensive income (loss) that will not be reclassified subsequently to income (loss)		**126**	**182**	**(4)**
Currency translation adjustment		(68)	(94)	125
Tax impact		—	—	—
Other comprehensive income (loss) that may be reclassified subsequently to income (loss)		**(68)**	**(94)**	**125**
Total comprehensive income (loss)		**(56,983)**	**(46,915)**	**(33,469)**

The accompanying notes form an integral part of these audited consolidated financial statements.

STATEMENTS OF CONSOLIDATED CHANGES IN SHAREHOLDERS' EQUITY

(Amounts in thousands of euros, except number of shares)

		Share capital Ordinary shares							
	Notes	**Number of shares**	**Amount**	**Premiums related to share capital**	**Accumulated other comprehensive income (loss)**	**Treasury shares**	**Reserve**	**Net loss for the period**	**Total shareholders' equity**
As of January 1, 2020		**22,415,039**	**672**	**153,139**	**433**	**(169)**	**(105,070)**	**(50,915)**	**(1,908)**
Net loss for the period		—	—	—	—	—	—	(33,590)	(33,590)
Currency translation adjustments		—	—	—	125	—	—	—	125
Actuarial gains and losses (IAS 19)	**11.2**	—	—	—	(4)	—	—	—	(4)
Total comprehensive loss		**—**	**—**	**—**	**121**	**—**	**—**	**(33,590)**	**(33,469)**
Allocation of prior period loss		—	—	—	—	—	(50,915)	50,915	—
Capital increase	**10.1**	12,017,083	361	102,591	—	—	(10)	—	102,942
Subscription of warrants	**10.3**	—	—	5	—	—	—	—	5
Share based payment	**17**	—	—	—	—	—	2,924	—	2,924
Treasury shares	**10.2**	—	—	—	—	(27)	—	—	(27)
As of December 31, 2020		**34,432,122**	**1,033**	**255,735**	**555**	**(196)**	**(153,070)**	**(33,590)**	**70,468**
Net loss for the period		—	—			—	—	(47,003)	(47,003)
Currency translation adjustments		—	—	—	(94)	—	—	—	(94)
Actuarial gains and losses (IAS 19)	**11.2**	—	—	—	182	—	—	—	182
Total comprehensive loss		**—**	**—**	**—**	**88**	**—**	**—**	**(47,003)**	**(46,915)**
Allocation of prior period loss		—	—	—	—	—	(33,590)	33,590	—
Capital increase	**10.1**	393,750	12	—	—	—	(12)	—	—
Subscription of warrants	**10.3**	—		32	—	—	11	—	43
Share based payment	**17**	—	—	—	—	—	3,201	—	3,201
Treasury shares	**10.2**	—	—	—	—	(6)	—	—	(6)
As of December 31, 2021		**34,825,872**	**1,045**	**255,767**	**643**	**(202)**	**(183,460)**	**(47,003)**	**26,790**
Net loss for the period		—	—	—	—	—	—	(57,041)	(57,041)
Currency translation adjustments		—	—	—	(68)	—	—	—	(68)
Actuarial gains and losses (IAS 19)	**11.2**	—	—	—	126	—	—	—	126
Total comprehensive loss		**—**	**—**	**—**	**57**	**—**	**—**	**(57,041)**	**(56,983)**
Allocation of prior period loss		—	—	—	—	—	(47,003)	47,003	—
Capital increase	**10.1**	50,000	2	—	—	—	(2)	—	—
Subscription of warrants	**10.3**	—	—	(7)	—	—	7	—	—
Share based payment	**17**	—	—	—	—	—	3,174	—	3,174
Treasury shares	**10.2**	—	—	—	—	(26)	—	—	(26)
As of December 31, 2022		**34,875,872**	**1,046**	**255,760**	**700**	**(228)**	**(227,284)**	**(57,041)**	**(27,045)**

The accompanying notes form an integral part of these audited consolidated financial statements.

STATEMENTS OF CONSOLIDATED CASH FLOWS

(Amounts in thousands of euros)

	Notes	For the year ended December 31, 2022	2021	2020
Cash flows used in operating activities				
Net loss for the period		(57,041)	(47,003)	(33,590)
Elimination of other non-cash, non-operating income and expenses				
Depreciation and amortization	**16.4**	1,500	1,560	1,754
Provisions	**16.4**	305	152	(48)
Expenses related to share-based payments	**17**	3,174	3,201	2,924
Cost of net debt	**18**	2,042	2,224	2,115
Loss on disposals		3	—	—
U.S. Initial public offering 2018 costs reversal		—	—	—
Impact of fair value remeasurement and interest costs	**18**	10,649	(1,554)	(6,463)
Other charges with no impact on cash		(36)	8	7
Cash flows used in operations, before tax and changes in working capital		**(39,403)**	**(41,412)**	**(33,300)**
(Increase) / Decrease in trade receivables	**8.1**	(101)	62	(51)
Decrease in Research tax credit receivable	**8.2**	2,490	1,927	5,688
Increase in other receivables	**8.2**	(4,215)	(5,034)	(721)
Increase / (Decrease) in trade and other payables	**13.1**	2,905	(281)	(995)
Increase / (Decrease) in other current liabilities	**13.2**	1,220	(1,652)	1,840
Increase in deferred income and contract liabilities	**13.3**		16,518	—
Changes in operating working capital		**2,300**	**11,540**	**5,762**
Net cash flows used in operating activities		**(37,104)**	**(29,872)**	**(27,538)**
Cash flows from (used in) investing activities				
Acquisitions of intangible assets	**5**	(1)	(5)	(11)
Acquisitions of property, plant and equipment	**6**	(92)	(228)	(96)
(Increase) / Decrease in non-current financial assets	**7**	230	(9)	(4)
Net cash flows from (used in) investing activities		**138**	**(242)**	**(112)**
Cash flows from financing activities				
Capital increases	**10.1**	—	—	113,650
Warrants subscription	**10.1**	—	43	5
Transaction costs	**10.1**	—	(349)	(10,359)
Increase in loans and conditional advances	**12**	—	—	10,350
Loans repayments	**12**	(3,642)	(2,833)	(250)
Payment of lease liabilities	**12**	(1,093)	(909)	(928)
Interest paid	**12**	(915)	(1,132)	(700)
Net cash flows from financing activities		**(5,651)**	**(5,180)**	**111,769**
Effect of exchange rates changes on cash		83	64	(63)
Net increase (decrease) in cash and cash equivalents		**(42,533)**	**(35,230)**	**84,056**
Net cash and cash equivalents at beginning of period		**83,921**	**119,151**	**35,094**
Net cash and cash equivalents at end of period	**9**	**41,388**	**83,921**	**119,151**

The accompanying notes form an integral part of these audited consolidated financial statements.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022 AND 2021, AND FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020

Note 1. Company information

Company Information

Nanobiotix, a *Société Anonyme* registered with the Paris registry of trade and companies under number 447 521 600 and having its registered office at 60 rue de Wattignies, 75012, Paris ("**Nanobiotix**" or the "**Company**" and, with its subsidiaries, the "**Group**"), is a late-stage clinical biotechnology company pioneering disruptive, physics-based therapeutic approaches to the treatment of cancer and other significant unmet medical needs with the express intent of favorably impacting the lives of millions of patients.

We believe the nanotherapeutics we are developing for the treatment of cancer have the potential to significantly enhance patients' response to radiotherapy and increase the number of patients that may benefit from systemic cancer treatments, including targeted therapeutics and chemotherapy.

Incorporated in 2003, Nanobiotix is headquartered in Paris, France. The Company also has subsidiaries in Cambridge, Massachusetts (United States), France, Spain, and Germany. The Group has been listed on Euronext: Paris under the ticker symbol "NANO" since 2012 (ISIN: FR0011341205, Bloomberg Code: NANO:FP) and on the Nasdaq Global Select Market under the ticker symbol "NBTX" in the United States since December 2020.

The Group is the owner of more than 23 patent families associated with three (3) nanotechnology platforms with applications in 1) oncology; 2) bioavailability and biodistribution; and 3) disorders of the central nervous system. The company's resources are primarily devoted to the development of its lead product candidate–NBTXR3—which is the product of its proprietary oncology platform.

Significant events of the period

Considerations arising from the Russia-Ukraine war

In February 2022, Russia launched an invasion of Ukraine, which may have an adverse impact on the global healthcare ecosystem in the form of delayed clinical trials. Clinical trial sites originally identified in Russia and Ukraine for the NANORAY-312 clinical trial were not opened or active at the start of the conflict and, consequently, did not recruit patients. However, certain trial preparation and start-up fees and expenses that the Company had incurred are not recoverable. While alternate clinical sites in other countries have since been identified, there is currently insufficient information about start-up costs timing in these countries to exclude the possibility of any delays to NANORAY-312 as a direct result of the conflict.

Share capital increase

On March 11, 2022, the share capital of the Company was increased by a nominal amount of €1,500, through the issuance of 50,000 new ordinary shares with a nominal value of €0.03 each, increasing the Company's share capital from €1,044,776 to €1,046,276 as a result of the definitive vesting of 50,000 AGA 2020. Such acquisition was acknowledged by the Executive Board on March 11, 2022. See Note 10 - *Share Capital*.

Termination of the licensing and collaboration agreement with PharmaEngine

As part of the termination of the licensing and collaboration agreement entered into with PharmaEngine in August 2012, the Company paid $1 million to PharmaEngine on August 18 2022, in compliance with terms and conditions of the termination agreement. See Note 4 - *Significant Transactions.*

Restructuring of the existing loan agreement with the European Investment Bank ("EIB")

On October 18, 2022, the Company and the EIB amended the set of financing and royalties' agreements (together the "Amendment Agreement to the Finance Contract" or "Amendment Agreement") relating to the EIB loan to re-align the Company's outstanding debt obligations with its expected development and commercialization timelines. The main terms and conditions of the Amendment Agreement are as follows:

Under the Amendment Agreement, the repayment of the remaining €25.3 million in principal for both tranches is due at the earliest of the third royalty payment (four years after commercialization of NBTXR3) for the first tranche and the second royalty payment (three years following commercialization of NBTXR3) for the second tranche, or on June 30, 2029 irrespective of the commercialization date of NBTXR3. Commercialization date corresponds to the first fiscal year during which net sales will exceed €5 million.

Under these main terms and conditions, an amount of €5.4 million in interest accrued as payment-in-kind (“PIK”) on the first tranche shall be prepaid in October 2024, except in the case of the closing of a collaboration agreement in which case the PIK will be subject to an earlier redemption by October 2023. Going forward, principal from the first tranche will accrue interest at the unchanged rate of 6% annually, with such interest being capitalized and due as PIK interest at maturity. Interest on the remaining €9.3 million in principal from the second tranche will continue to accrue at the unchanged 5% fixed rate paid in semi-annual installments through the repayment date.

The annual royalty payment remains in the low single digits and indexed on our net sales turnover, and continues to cover a six-year period but has been re-aligned to begin as of the first year of NBTXR3 commercialization meaning, when the Company achieves annual net sales in excess of €5.0 million.

In addition to the royalty fees, the Amendment Agreement also includes a “milestone” payment of €20 million, which can be considered as due at the latest in June 2029. An accelerated redemption schedule for this new milestone payment would be triggered calling for the repayment in two equal installments due one year and two years after commercialization, respectively. Further, should the company secure non-dilutive capital through the execution of any business development deal, an accelerated redemption of this new milestone payment would be triggered resulting in a prorated payment amount not exceeding 10% of any upfront or milestone payment received by the Company.

As part of the Amendment Agreement, the Company has agreed to maintain a minimum cash and cash equivalents balance equal to the outstanding principal owed to EIB which is €25.3 million as of December 31, 2022. All other covenants included in the 2018 finance contract remain unchanged.

Accounting treatment of the Amendment Agreement is described in Note 12 - *Financing Liabilities*

Termination of the liquidity agreement

Consistent with customary practices in the French securities market, the Company entered in 2012 into a liquidity agreement with Gilbert Dupont, an investment service provider established in France, which agreement allowed Gilbert Dupont to carry out market purchases and sales of Nanobiotix shares on the regulated market of Euronext in Paris, in accordance with the authorizations granted by the Company’s shareholders meeting and in compliance with the French and EU regulations, in order to provide liquidity for the trading market. Effective on December 20, 2022, the Company terminated its Liquidity Agreement with Gilbert Dupont.

Note 2. General Information, Statement of Compliance and Basis of Presentation

General principles

The statement of consolidated financial position as of December 31, 2022, 2021 and 2020 and the statements of consolidated operations, the statements of consolidated comprehensive loss, the consolidated changes in shareholders’ equity and statements of consolidated cash flows for the years ended December 31, 2022, 2021 and 2020 were prepared under management’s supervision and were approved by the Executive Board of the Company (the “Executive Board”) and reviewed by the Supervisory Board of the Company (the “Supervisory Board”) on April 24, 2023.

All amounts presented in the consolidated financial statements are presented in thousands of euros, unless stated otherwise. Some figures have been rounded. Accordingly, the totals in some tables may not be the exact sums of component items.

The preparation of the consolidated financial statements in accordance with International Financial Reporting Standards (‘’IFRS’’) requires the use of estimates and assumptions that affect the amounts and information disclosed in the financial statements (see Note 3.2 for additional information).

The consolidated financial statements have been prepared using the historical cost measurement basis, with the exception of some financial assets and liabilities, which are measured at fair value.

Statement of Compliance and Basis of Presentation

The consolidated financial statements have been prepared in accordance with IFRS, International Accounting Standards (“IAS”) as issued by the International Accounting Standards Board (“IASB”) as well as interpretations issued by the IFRS Interpretations Committee (“IFRS-IC”) and the Standard Interpretations Committee (the “SIC”), which application is mandatory as of December 31, 2022. The consolidated financial statements are also compliant with IFRS as adopted by the European Union.

Those are available on the European Commission website:

https://eur-lex.europa.eu/eli/reg/2002/1606/oj

The accounting principles used to prepare the consolidated financial statements for the fiscal year ended December 31, 2022 are identical to those used for the previous year except for the standards listed below that required adoption in 2022.

Application of New or Amended Standards and Interpretations

The Company adopted the following standards, amendments and interpretations, whose application was mandatory for periods beginning on or after January 1, 2022:

- Amendment to IFRS 3 - update of a reference to the conceptual framework
- Amendment to IAS 16 Property, Plant and Equipment - related to proceeds before intended use.
- Amendment to IAS 37 related to onerous contracts and the cost of Fulfilling a contract

The application of these standards had no impact on the consolidated financial statements of the Company.

Assessment of the impacts of the Application of the standards, amendments and interpretations which will come into force subsequently

The application of the following new standards, amendments and interpretations was not yet mandatory for the year ended December 31, 2022 :

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (issued in October 2022 and Effective for the accounting periods as of January 1, 2024)
- Amendments to IAS 8 – Definition of Accounting Estimates (issued on 12 February 2021 and Effective for the accounting periods as of January 1, 2023)
- Amendments to IAS 1 and IFRS Practice Statement 2 –Disclosure of Accounting Policies (issued in March 2021 and Effective for the accounting periods as of January 1, 2023)
- Amendments to IAS 12 – Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued in May 2021 and Effective for the accounting periods as of January 1, 2023)

No significant impact is expected on the consolidated financial statements following the application of the above amendments.

The Company elected to early adopt no new standards, amendments or interpretations which application was not yet mandatory for the year ended December 31, 2022.

Going concern

We have prepared our consolidated financial statements assuming that we will continue as a going concern. We experienced net losses of €57.0 million in 2022 and a net decrease in cash and cash equivalents of €42.5 million in 2022. At December 31, 2022, our accumulated deficit was €227.3 million and we had negative working capital of €22.7 million. We expect to continue to incur significant expense related to the development and manufacturing of nanotechnology product candidates such as NBTXR3 and conducting clinical studies. Additionally, we may encounter unforeseen difficulties, complications, development delays and other unknown factors that require additional expense. As a result of these expenditures, we expect to continue to incur significant losses in the near term. Additionally, the Company’s debt instruments contain covenants that require maintenance of minimum cash and cash equivalent balances that limit the availability of cash resources to pursue operational needs.

The Company’s covenant obligations entail that the current cash and cash equivalents are only sufficient to fund our operating expenses into the third quarter of 2023. Violation of the covenant would result in immediate repayment of all or part of the loan outstanding (if and when requested by the bank), together with accrued interest, prepayment fees and all other accrued or outstanding amounts. However, Nanobiotix has obtained a 15 million euros temporary waiver, until July 31, 2023, and has reached an agreement in principle with EIB to automatically extend it until January 31, 2024 should (a) a business development partnership, collaborative or strategic alliance have become effective before July 31, 2023 and (b) the contractual documentation is signed within fifteen days following the date of this form 20-F. Failing this extension period, and except if it has obtained appropriate funding prior, the Company is expected to be in breach of this temporary waiver as of July 31, 2023.

The Company is also pursuing additional funding through one or more possible new partnerships, collaborative or strategic alliances; or from the use of the use of the equity line (PACEO) signed with Kepler Cheuvreux, financing from institutional or strategic investors, from the capital markets, or a combination of the above. However, the Company cannot guarantee if or when any such transactions will occur or whether they will be on satisfactory terms.

While the Company has taken and will continue to take actions to obtain new funding and manage costs through operating expense reduction plans, as necessary, the above factors indicate substantial doubt about the Company's ability to continue as a going concern as there is no assurance that the Company will be successful in satisfying its future cash needs.

Subsequently, the Executive Board determined it is appropriate to prepare consolidated financial statements as of and for the period ended December 31, 2022, applying a going concern basis, assuming the Company will continue to operate for the foreseeable future.

Note 3. Consolidation principles and methods

3.1 Basis of consolidation

Accounting policy

In accordance with IFRS 10 – *Consolidated Financial Statements*, the Group controls an entity when it is exposed or has rights to variable returns due to its links with the entity and has the ability to influence these returns due to the power it holds on this one.. Accordingly, each of the Company's subsidiaries has been fully consolidated from the date on which the Company obtained control over it. A subsidiary would be deconsolidated as of the date on which the Company no longer exercises control.

All intra-Company balances, transactions, unrealized gains and losses resulting from intra-Company transactions and all intra-Company dividends are eliminated in full.

The accounting methods of the Company's subsidiaries are aligned with those of the Company.

The consolidated financial statements are presented in euros, which is the reporting currency and the functional currency of the parent company, Nanobiotix S.A. The financial statements of consolidated foreign subsidiaries whose functional currency is not the euro are translated into euros for statement of financial position items at the closing exchange rate at the date of the statement of financial position and for the statement of operations, statement of comprehensive loss and statement of cash flow items at the average rate for the period presented, except where this method cannot be applied due to significant exchange rate fluctuations during the applicable period. The dollar to euro exchange rate used in the consolidated financial statements to convert the financial statements of the U.S. subsidiary was \$1.0666 as of December 31, 2022 and an average of \$1.0539 for the year ended December 31, 2022 (source: Banque de France) compared with \$1.1326 and \$1.1835 for 2021 and \$1.2271 and \$1.1413 for 2020, respectively. The resulting currency translation adjustments are recorded in other comprehensive income (loss) as a cumulative currency translation adjustment.

Consolidated entities

As of December 31, 2022, the Company is comprised of one parent entity, "Nanobiotix S.A.," and five wholly owned subsidiaries:

- Nanobiotix Corp., incorporated in the State of Delaware in the United States in September 2014;
- Nanobiotix Germany GmbH, incorporated in Germany in October 2017;
- Nanobiotix Spain S.L.U., incorporated in Spain in December 2017;
- Curadigm S.A.S., incorporated on July 3, 2019 and located in France; and
- Curadigm Corp., a wholly-owned subsidiary of Curadigm S.A.S., incorporated in the State of Delaware on January 7, 2020 and headquartered in Cambridge, Massachusetts.

The consolidated financial statements as of and for the year ended December 31, 2022 include the operations of each of these subsidiaries from the date of their incorporation.

3.2 Use of judgement, estimates and assumptions

The preparation of consolidated financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the amounts and information disclosed in the financial statements. The estimates and judgments used by management are based on historical information and on other factors, including expectations about future events considered to be reasonable given the circumstances. These estimates may be revised where the circumstances on which they are based change. Consequently, actual results may vary significantly from these estimates under different assumptions or conditions. The main items affected by the use of estimates are going concern, share-based payments, deferred tax assets, clinical trials accruals, revenue recognition and the fair value of financial instruments.

Measurement of share-based payments

The Company measures the fair value of stock options (OSA), founders' warrants (BSPCE), warrants (BSA) and free shares (AGA) granted to employees, members of the Supervisory Board and consultants based on actuarial models. These actuarial models require that the Company use certain calculation assumptions with respect to characteristics of the grants (e.g., vesting terms) and market data (e.g., expected share volatility) (see Note 17).

Deferred tax assets

Deferred taxes are recognized for temporary differences arising from the difference between the tax basis and the accounting basis of the Company's assets and liabilities that appear in its financial statements. The primary temporary differences are related to the tax losses that can be carried forward or backward, depending on the jurisdiction. Enacted tax rates are used to measure deferred taxes (see Note 19).

The deferred tax assets are recorded in the accounts only to the extent that it is probable that the future profits will be sufficient to absorb the losses that can be carried forward or backward. Considering its stage of development, which does not allow income projections judged to be sufficiently reliable to be made, the Company has not recognized deferred tax assets in relation to tax losses carryforwards in the Statements of Consolidated Financial Position.

Clinical trial accruals

Clinical trial expenses, although not yet billed in full, are estimated for each study and a provision accrual is recognized accordingly. See Note 13.1 for information regarding the clinical trial accruals as of December 31, 2022 and 2021.

Revenue recognition

In order to determine the amount and timing of revenue under the contract with customers, the Company is required to use significant judgments, mainly with respect to identifying performance obligations of the Company and determining the timing of satisfaction of support services provided to customers

Determining the distinctiveness of performance obligations — A promised good or service will need to be recognized separately in revenue if it is distinct as defined in IFRS 15. In determining whether the performance obligation is separate, the Company analyses if (i) the good or service is distinct in absolute terms, i.e. it can be useful to the customer, either on its own or in combination with resources that the customer can obtain separately; and if (ii) the good or service is distinct in the context of the contract, i.e. it can be identified separately from the other goods and services in the contract because there is not a high degree of interdependence or integration between this element and the other goods or services promised in the contract. If either of these two conditions is not met, the good or service is not distinct, and the Company must group it with other promised goods or services until it becomes a distinct group of goods or services.

Allocation of transaction price to performance obligations — A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. To determine the proper revenue recognition method, the Company evaluates whether the contract should be accounted for as more than one performance obligation. This evaluation requires significant judgment; some of the Company's contracts have a single performance obligation as the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts and, therefore, not distinct. For contracts with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation using our best estimate of the standalone selling price of each distinct good or service in the contract.

Variable consideration — Due to the nature of the work required to be performed on many of the Company's performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. It is common for the collaboration and license agreements to contain variable consideration that can increase the transaction price. Variability in the transaction price arises primarily due to milestone payments obtained following the achievement of specific milestones (e.g., scientific results or regulatory or commercial approvals). The Company includes the related amounts in the transaction price as soon as their receipt is highly probable. The effect of the increase of the transaction price due to milestones payments is recognized as an adjustment to revenue on a cumulative catch-up basis.

Revenue recognized over time and input method — Some of the Company's performance obligations are satisfied over time as work progresses, thus revenue is recognized over time, using an input measure of progress as it best depicts the transfer of control to the customers.

See Note 15 for additional detail regarding the Company's accounting policies for its additional sources of revenue.

Fair value of financial assets and liabilities

The fair value measurement of the loan granted by European Investment Bank ("EIB") requires the Company to determine:

- the average discount rate of the new liability executed in October 2022. The average discount rate reflects the company's credit risk at the Amendment Agreement date as well as a premium to reflect uncertainties associated with the timing and the amount of the royalties' payment. The company involved external specialists to support in determining the average discount rate;
- the amount of additional interest ("royalties", as defined by the royalty agreement with EIB) that will be due according to the loan agreement during a royalty calculation period commencing upon commercialization. The royalties due during this period will be determined and calculated based on the number of tranches that have been withdrawn and will be indexed to the Company's annual sales turnover. For the purpose of measuring the fair value of the EIB loan, the Company forecasts the sales that it expects to generate during the royalty period, taking into consideration the operational assumptions such as market release dates of the products, growth and penetration rate in each market. (see notes 4.3 and 12 for details about this loan and the accounting treatment applied).

Note 4. Significant transactions

4.1 LianBio

In May 2021, Nanobiotix announced a partnership with Lian Oncology Limited (LianBio) a biotechnology company dedicated to bringing paradigm-shifting medicines to patients in China and major Asian markets, to develop and commercialize NBTXR3 into Greater China (mainland China, Hong Kong, Taiwan, and Macau), South Korea, Singapore and Thailand.

LianBio has started to collaborate in the development of NBTXR3 in the Asia-Pacific region in the frame of the study NANORAY-312 and will contribute to patient enrollment in four other future global registrational studies across several tumor types and therapeutic combinations. LianBio will also participate in the global Phase 3 registrational study in head and neck cancer into Greater China and South Korea, while supporting longer term strategic alignment across multiple tumor indications and therapeutic combinations.

As of December 31, 2021, a non-refundable upfront payment of $20 million has been collected by the Company at the signature of the LianBio Agreement. Additionally, the Company is entitled to receive up to an aggregate of $205 million in potential contingent, development and commercialization milestone payments. Nanobiotix will also be eligible to receive tiered, low double-digit royalties based on net sales of NBTXR3 in the licensed territories.

In May 2022 and according to the License Agreement executed in May 2021, the Company entered into a clinical supply agreement and a related quality agreement with LianBio for the purpose of the Company supplying LianBio and LianBio purchasing exclusively from the Company fall the required quantities of NBTXR3 for the global clinical study NANORAY-312 and any other studies conducted within the Territories.

As of December 31, 2022, the Company has collected €0.4 million from LianBio pursuant to this clinical supply agreement. Furthermore, LianBio is required to order and purchase NBTXR3 product from the Company according to quantities specified in binding forecasts prepared by LianBio.

See Note 15 for discussion of the accounting analysis of the partnership with Lianbio.

4.2 PharmaEngine

In August 2012, the Company entered into a license and collaboration agreement with PharmaEngine, which provided for the development and commercialization of NBTXR3 by PharmaEngine throughout the covered Asia-Pacific countries. In March 2021, the Company and PharmaEngine mutually agreed to terminate the License and Collaboration agreement.

As of December 31, 2021, the Company had paid a total of $6.5 million to PharmaEngine in accordance with the termination agreement signed between the parties. During the period ended December 31, 2022, PharmaEngine became eligible for an additional $1 million payment following receipt and validation of certain clinical study reports, this additional payment was made in August 2022.

PharmaEngine is entitled to receive an additional payment of $5 million upon the second regulatory approval of NBTXR3 in any jurisdiction of the world for any indication. The Company has also agreed to pay royalties to PharmaEngine at low single-digit royalty rates with respect to sales of NBTXR3 in the Asia-Pacific region for a 10-year period beginning at the date of the first sales in the region. As of December 31, 2022, these future payments were not accrued because the triggering events have not occurred.

4.3 Financing Agreement with the European Investment Bank (“EIB”)

In July 2018, the Company signed a non-dilutive financing agreement with the EIB to borrow up to €40 million in order to fund its research, development and innovation activities related to NBTXR3 in various therapeutic indications, subject to achieving a set of agreed-upon performance criteria. This financing is divided in three tranches:

- a first tranche of €16 million, received in October 2018, subject to a 6% fixed rate and that will be fully repaid in 2023 at the latest;
- a second tranche of €14 million, received in March 2019, subject to a 5% fixed rate, with repayments beginning in 2021 and continuing into 2024; and,
- a last tranche of €10 million, however the Company did not meet the criteria to request this tranche prior to the contractual deadline for requesting this third tranche. Accordingly the third tranche is no longer available to the Company.

In connection with this financing agreement, the Company also entered into a royalty agreement with EIB pursuant to which the Company is required, during a six-year royalty calculation period commencing on January 1, 2021, to pay (on each June 30 with respect to the preceding year within the calculation period) royalties to EIB. The amount of royalties payable is calculable based on low single digit royalties indexed on our net sales turnover, which vary according to the number of tranches that have been drawn, and indexed on the Company’s annual sales turnover.

On October 18, 2022, the Company and the EIB amended the set of financing and royalties’ agreements (together the “Amendment Agreement to the Finance Contract” or “Amendment Agreement”) relating to the EIB loan to re-align the Company’s outstanding debt obligations with its expected development and commercialization timelines. The main terms and conditions of the Amendment Agreement are as follows:

Under the Amendment Agreement, the repayment of the remaining €25.3 million in principal for both tranches is due at the earliest of the third royalty payment (four years after commercialization of NBTXR3) for the first tranche and the second royalty payment (three years following commercialization of NBTXR3) for the second tranche, or on June 30, 2029 irrespective of the commercialization date of NBTXR3. Commercialization date corresponds to the first fiscal year during which net sales will exceed €5 million.

Under these main terms and conditions, an amount of €5.4 million in interest accrued as payment-in-kind (“PIK”) on the first tranche shall be prepaid in October 2024, except in the case of the closing of a collaboration agreement in which case the PIK will be subject to an earlier redemption by October 2023. Going forward, principal from the first tranche will accrue interest at the unchanged rate of 6% annually, with such interest being capitalized and due as PIK interest at maturity. Interest on the remaining €9.3 million in principal from the second tranche will continue to accrue at the unchanged 5% fixed rate paid in semi-annual installments through the repayment date.

The annual royalty payment remains in the low single digits and indexed on our net sales turnover, and continues to cover a six-year period but has been re-aligned to begin as of the first year of NBTXR3 commercialization meaning, when the Company achieves annual net sales in excess of €5.0 million.

In addition to the royalty fees, the Amendment Agreement also includes a “milestone” payment of €20 million, which can be considered as due at the latest in June 2029. An accelerated redemption schedule for this new milestone payment would be triggered calling for the repayment in two equal installments due one year and two years after commercialization, respectively. Further, should the company secure non-dilutive capital through the execution of any business development deal, an accelerated redemption of this new milestone payment would be triggered resulting in a prorated payment amount not exceeding 10% of any upfront or milestone payment received by the Company.

As part of the Amendment Agreement, the Company has agreed to maintain a minimum cash and cash equivalents balance equal to the outstanding principal owed to EIB which is €25.3 million as of December 31, 2022. All other covenants included in the 2018 finance contract remain unchanged.

See Note 12 for discussion of the accounting of this new liability and the valuation assumptions to determine the average discount rate and the fair value of the loan.

See Note 14 for discussion of the liquidity risk associated with the covenant.

See Note 23 for discussion of royalties that may be due in the case of early repayment or change of control after repayment of the loan.

4.4 Collaboration Agreement with the University of Texas MD Anderson Cancer Center

On December 21, 2018, the Company entered into a strategic collaboration agreement with MD Anderson Cancer Center, world prominent center of research, education, prevention and care for cancer patients, which was amended and restated in January 2020 and subsequently amended in June 2021. Pursuant to the MD Anderson Collaboration Agreement, the Company and MD Anderson established a large-scale, comprehensive NBTXR3 clinical collaboration to improve the efficacy of radiotherapy for certain types of cancer. The collaboration initially is expected to support multiple clinical trials conducted by MD Anderson, as sponsor, with NBTXR3 for use in treating several cancer types (including head and neck, pancreatic, and lung cancers). We expect to enroll approximately 312 patients in total across these clinical trials.

As part of the funding for this collaboration, Nanobiotix is committed to pay approximately $11 million for those clinical trials during the collaboration, and made an initial $1.0 million payment at the commencement of the collaboration and a second $1.0 million payment on February 3, 2020. Additional payments were made every six months following patient's enrollment in the trials, with the balance payable due upon enrollment of the final patient for all studies.

Nanobiotix may also be required to pay an additional one-time milestone payment upon (i) grant of the first regulatory approval by the Food and Drug Administration in the United States and (ii) the date on which a specified number of patients have been enrolled in the clinical trials.

This milestone payment will depend on the year when trigger event occurs, with a minimum amount of $2.2 million if occurred in 2020 up to $16.4 million if occurred in 2030.

As of December 31, 2022 and 2021, the Company recognized prepaid expenses for €1.5 million and €1.0 million respectively. Expenses are recorded during the course of the collaboration in the statement of consolidated operations, based on the patients enrolled during the relevant period.

See Note 8.2 for further details on other current assets.

4.5 Equity Line Financing with Kepler Cheuvreux

In May 2022, Nanobiotix established an equity line financing with Kepler Cheuvreux.

This line of financing will provide financial optionality and near-term flexibility, if needed, as Nanobiotix continues efforts to reduce operating expenses and to focus on its priority programs. In accordance with the terms of this agreement, Kepler Cheuvreux committed to underwrite up to 5,200,000 shares over a maximum timeframe of 24 months starting from May 2022, provided the contractual conditions are met.

The shares will be issued based on the lower of the two daily volume weighted average share prices for the two trading days preceding each issuance, less a maximum discount of 5.0%. An 2% exercise commission of the exercise price also applies on each exercise date of its warrants by Kepler Cheuvreux.

No warrant has been exercised as of December 31, 2022. (See Note 10.4 - *Equity Line Agreement* and Note 23 - *Commitments*)

4.6 Liquidity agreement - Gilbert Dupont

Consistent with customary practices in the French securities market, the Company entered in 2012 into a liquidity agreement with Gilbert Dupont, an investment service provider established in France, which agreement allowed Gilbert Dupont to carry out market purchases and sales of Nanobiotix shares on the regulated market of Euronext in Paris, in accordance with the authorizations granted by the Company's shareholders meeting and in compliance with the French and EU regulations, in order to provide liquidity for the trading market. Effective on December 20, 2022, the Company terminated its Liquidity Agreement with Gilbert Dupont. (See Note 10.2 - *Treasury Shares*)

Note 5. Intangible assets

Accounting policies

In accordance with IAS 38 – Intangible Assets, intangible assets are carried at their acquisition cost.

Research and Development costs

Research costs are recorded in expenses in the period during which they are incurred. Under IAS 38 – *Intangible Assets*, development costs may only be capitalized as intangible assets if the following criteria are met:

- it is technically feasible to complete the development of the intangible asset so that it will be available for use or sale;
- the Company intends to complete the development of the intangible asset and use or sell it;
- the Company has the ability to use or sell the intangible asset;
- it is probable that the intangible asset will generate future economic benefits;
- adequate technical, financial and other resources are available to complete the development of the intangible asset; and
- the Company is able to reliably measure the expenditures attributable to the development of the intangible asset.

The Company believes that because of the risks and uncertainties related to the grant of regulatory approval for the commercialization of its product candidates, the technical feasibility of completing its development projects will only be demonstrated when requisite approvals are obtained for the commercialization of products. Accordingly, pursuant to IAS 38, the Company has recognized all of its research and development costs incurred as an expense in 2022 and prior periods.

Patents

Costs incurred by the Company in connection with the filing of patent applications are recognized as an expense until such time as the relevant patents are obtained, in line with the treatment of research and development costs. Once the patents are obtained from relevant authorities, their related patent costs are amortized on a straight-line basis over the patent protection period. The useful life of the patents is reassessed each year, according to IAS 38.

Software

The costs of acquiring software licenses are recognized as assets on the basis of the costs incurred to acquire and implement the software to which the license relates. These costs are amortized on a straight-line basis over the life of the license.

Recoverable amount of intangible assets

Intangible assets with a definite useful life are tested for impairment when there are events or changes in circumstances that indicate that the asset might be impaired. Impairment tests involve comparing the carrying amount of an intangible asset with its recoverable amount. The recoverable amount of an asset is the higher of (i) its fair value less costs to sell and (ii) its value in use. If the recoverable amount of any asset is below its carrying amount, an impairment loss is recognized to reduce the carrying amount to the recoverable amount.

Detail of intangible assets

The change in intangible assets breaks down as follows:

(in thousands of euros)	As of January 1, 2022	Increases	Decreases	Transfer	Currency translation	As of December 31, 2022
Patents	65	—	—	—	—	65
Software	657	1	—	—	—	658
Intangible assets in progress	—	—	—	—	—	—
Gross book value of intangible assets	**722**	**1**	**—**	**—**	**—**	**723**
Patents	(65)	—	—	—	—	(65)
Software	(652)	(4)	—	—	—	(657)
Accumulated depreciation of intangible assets [(1)]	**(717)**	**(4)**	**—**	**—**	**—**	**(721)**
Net book value of intangible assets	**4**	**(3)**	**—**	**—**	**—**	**1**

(1) Expenses for the period are detailed in Note 16.4 Depreciation, amortization and provisions expenses

(in thousands of euros)	As of January 1, 2021	Increases	Decreases	Transfer	Currency translation	As of December 31, 2021
Patents	65	—	—	—	—	65
Software	651	5	—	—	—	657
Intangible assets in progress	—	—	—	—	—	—
Gross book value of intangible assets	**717**	**5**	**—**	**—**	**—**	**722**
Patents	(65)	—	—	—	—	(65)
Software	(630)	(22)	—	0	0	(652)
Accumulated depreciation of intangible assets [(1)]	**(695)**	**(22)**	**—**	**—**	**—**	**(717)**
Net book value of intangible assets	**21**	**(17)**	**—**	0	0	**4**

(1) Expenses for the period are detailed in Note 16.4 Depreciation, amortization and provisions expenses

Note 6. Property, plant and equipment

Accounting policies

Property, plant and equipment are recorded at their acquisition cost. Major renovations and improvements necessary to bring an asset to the working condition for its use as intended by the Company's management are capitalized. The cost of repairs, maintenance and other renovation work is expensed as incurred.

Property, plant and equipment are depreciated on a straight-line basis according to the estimated useful life of the relevant assets.

The depreciation periods used are as follows:

- General fixtures and fittings, building work: 5 to 10 years;
- Technical installations, equipment and industrial tooling: 3 to 10 years; and
- Office and IT equipment and furniture: 1 to 10 years.

Recoverable amount of property, plant and equipment

Property, plant and equipment with a definite useful life are tested for impairment when there are events or changes in circumstances that indicate that the asset might be impaired. An impairment loss is recognized for the excess of the carrying amount of the asset over its recoverable amount. The recoverable amount of an asset is equal to the higher of (i) its fair value less costs to sell and (ii) its value in use.

Detail of property, plant and equipment

The change in property, plant and equipment is as follows:

(in thousands of euros)	As of January 1, 2022	Increases	Decreases	Transfer	Currency translation	As of December 31, 2022
Fixtures, fittings and installations	3,318	—	—	—	—	3,318
Right of use – Buildings	8,393	226	(158)	—	—	8,462
Technical equipment	2,135	—	(7)	—	—	2,128
Office and IT equipment	1,010	73	(76)	—	5	1,012
Transport equipment	33	—	—	—	2	36
Right of use – Transport equipment	28	—	(28)	—	—	—
Tangible assets in progress	98	246	—	0	—	344
Prepayments on tangible assets	—	—	—	0	—	—
Gross book value of tangible assets	**15,017**	**545**	**(269)**	**—**	**7**	**15,299**
Fixtures, fittings and installations	(1,641)	(318)	—	—	—	(1,959)
Right of use – Buildings	(2,610)	(930)	43	—	—	(3,496)
Technical equipment	(1,644)	(138)	7	—	—	(1,774)
Office and IT equipment	(875)	(111)	73	—	(3)	(915)
Transport equipment	(33)	—	—	—	(2)	(36)
Right of use – Transport equipment	(28)	—	28	—	—	—
Accumulated depreciation of tangible assets[(1)]	**(6,831)**	**(1,496)**	**152**	**—**	**(5)**	**(8,180)**
Net book value of tangible assets	**8,186**	**(951)**	**(117)**	**—**	**2**	**7,120**

[(1)] *Expenses for the period are detailed in Note 16.4 Depreciation, amortization and provisions expenses*

Right of use - Buildings

In 2022, the €226 thousand increase in Right of use - Buildings mainly relates to the impact of an annual rent adjustment for the Wattignies and Waccano leases based on the INSEE (National Institute of Statistics and Economic Studies) index for respectively €135 thousand and €89 thousand.

The €158 thousand decrease in Right of use – Buildings relates to the termination of the Oberkampf lease contract in July 2022.

Tangible assets in progress

The tangible assets in progress increase of €246 thousand is mainly related to purchase of a new irradiator for laboratory representing a €228 thousand investment that has not yet been put in use at the end of December 2022.

(in thousands of euros)	As of January 1, 2021	Increases	Decreases	Other movements & transfer.	Currency translation	As of December 31, 2021
Fixtures, fittings and installations	3,313	5	—	—	—	3,318
Right of use – Buildings	7,171	1,362	(139)	—	—	8,393
Technical equipment	2,061	73	—	1	—	2,135
Office and IT equipment	988	53	(35)	—	4	1,010
Transport equipment	31	—	—	—	3	33
Right of use – Transport equipment	65	—	(38)	—	1	28
Tangible assets in progress	1	97	—	—	—	98
Prepayments on tangible assets	—	—	—	—	—	—
Gross book value of tangible assets	**13,630**	**1,590**	**(212)**	**—**	**8**	**15,017**
Fixtures, fittings and installations	(1,320)	(320)	—	—	—	(1,641)
Right of use – Buildings	(1,739)	(901)	30	—	—	(2,610)
Technical equipment	(1,466)	(178)	—	—	—	(1,644)
Office and IT equipment	(783)	(124)	34	—	(3)	(875)
Transport equipment	(31)	—	—	—	(3)	(33)
Right of use – Transport equipment	(36)	(12)	20	—	(1)	(28)
Accumulated depreciation of tangible assets[(1)]	**(5,374)**	**(1,534)**	**84**	**—**	**(6)**	**(6,831)**
Net book value of tangible assets	**8,256**	**56**	**(129)**	**—**	**3**	**8,186**

(1) *Expenses for the period are detailed in Note 16.4 Depreciation, amortization and provisions expenses*

In 2021, the €1,362 thousand increase in Right-of-use — Buildings mainly relates to the extension of the Villejuif lease for 4 years for €1,390 thousand reduced by approximately €25 thousand related to rent indexation impact.

The €139 thousand decrease in Right-of-use — Buildings relates to the termination of a lease contract in Faubourg Saint Antoine in Paris, France.

Note 7. Non-current financial assets

Accounting policies

Non-current financial assets are recognized and measured in accordance with IFRS 9 – *Financial Instruments.*

No non-current financial assets are estimated at fair value through other comprehensive income (OCI).

Pursuant to IFRS 9 – *Financial Instruments*, financial assets are classified in three categories according to their nature and the intention of management:

- Financial assets at fair value through profit and loss;
- Financial assets at fair value through other comprehensive income; and
- Financial assets at amortized cost.

All regular way purchases and sales of financial assets are recognized at the settlement date.

Financial assets at fair value through profit or loss

This category includes marketable securities, cash and cash equivalents. They represent financial assets held for trading purposes, i.e., assets acquired by the Company to be sold in the short-term. They are measured at fair value and changes in fair value are recognized in the consolidated statements of operations as financial income or expense, as applicable.

Financial assets at amortized cost

This category includes other financial assets (non-current), trade receivables (current) and other receivables and related accounts (current). Other financial assets (non-current) include advances and security deposits and guarantees granted to third parties as well as term deposits and restricted cash, which are not considered as cash equivalents.

They are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. They are initially recognized at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset, except trade receivables that are initially recognized at the transaction price as defined in IFRS 15.

After initial recognition, these financial assets are measured at amortized cost using the effective interest rate method when both of the following conditions are met:

- The financial asset is held within a business model whose objective is 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.

Gains and losses are recorded in the consolidated statements of operations when they are derecognized, subject to modification of contractual cash flows and/or impaired.

IFRS 9 – *Financial Instruments* requires an entity to recognize a loss allowance for expected credit losses on a financial asset at amortized cost at each Statement of Financial Position date. The amount of the loss allowance for expected credit losses equals: (i) the 12 - month expected credit losses or (ii) the full lifetime expected credit losses. The latter applies if credit risk has increased significantly since initial recognition of the financial instrument. An impairment is recognized, where applicable, on a case–by–case basis to take into account collection difficulties which are likely to occur based on information available at the time of preparation of the financial statements.

Disputed receivables are written-off when certain and precise evidence shows that recovery is impossible, and existing credit loss allowance are released.

Financial assets are monitored for any indication of impairment. Under IFRS 9, the impairment model is based on the accounting on expected credit losses during the life of the financial assets. A financial asset is impaired if its credit risk, determined with both historic and prospective data, increased significantly since its initial booking. The loss will impact the net income (loss) recorded to the statement of operations.

Detail of non-current financial assets

The change in non-current financial assets breaks down as follows:

(in thousands of euros)	**Liquidity contract - Cash account[(1)]**	**Security deposits paid**	**Total**
Net book value as of December 31, 2021	**98**	**421**	**519**
Additions	—	—	—
Decreases	(97)	(133)	(230)
Reclassification	—	—	—
Currency translation adjustments	—	3	3
Net book value as of December 31, 2022	**—**	**291**	**291**

[(1)] *See note 10.2 Treasury shares*

In 2022, non-current financial assets decreased by €227 thousand compared to 2021.

The €97 thousand decrease of the Liquidity contract – Cash account corresponds to termination of the liquidity agreement with Gilbert Dupont effective on December 20, 2022. See Note 4 - Significant Transactions.

In 2022, the security deposits paid decreased by €133 thousand, mainly due to a €176 thousand credit note received from the Paris office lessor for a deposit overpayment.

In 2021, the security deposits paid increased by €20 thousand, mainly due to a €9 thousand deposit paid in connection with a new Nanobiotix Corp headquarters’ lease contract in Cambridge, Massachusetts, United States.

Note 8. Trade receivables and other current assets

Accounting policies for trade receivables and other current assets are described in Note 7.

8.1 Trade receivables

	As of December 31,	
(in thousands of euros)	**2022**	**2021**
Trade receivables	101	—
Trade receivables	**101**	**—**

The €101 thousand trade receivables balance as of December 31, 2022 exclusively relates to NBTXR3 products delivered to LianBio according to the supply agreement signed in May 2022, invoiced but not paid yet at December 31, 2022.

	As of December 31,	
(in thousands of euros)	**2022**	**2021**
Due in 3 months or less	101	—
Due between 3 and 6 months	—	—
Due between 6 and 12 months	—	—
Due after more than 12 months	—	—
Trade receivables	**101**	**—**

8.2 Other current assets

Other current assets break down as follows:

	As of December 31,	
(in thousands of euros)	**2022**	**2021**
Research tax credit receivable	4,091	2,490
VAT receivable	1,055	1,058
Prepaid expenses	2,981	2,213
Other receivables	2,741	3,378
Other current assets	**10,868**	**9,139**

Prepaid expenses

As of December 31, 2022, prepaid expenses mainly relate to the to MD Anderson collaboration agreement for €1.5 million (see Note 4.4), as compared to €1.0 million for the year ended December 31, 2021, to the AON insurance contracts for €0.7 million (as compared to the CRF insurance contracts for €0.6 million in 2021), and to Myonex prepayment on purchased Cetuximab for €0.1 million (nil in 2021).

Other receivables

Other receivables decrease by €0.6 million is mainly explained by decrease of suppliers prepayment, amounting to €2.6 million as of December 31, 2022 and €3.0 million as of December 31, 2021 . These advance payments are mainly related to ICON and Imaging EndPoints, vendors for clinical trial services.

Research tax credit receivable

The Company receives a research tax credit (Crédit d’Impôt Recherche, or “CIR”) from the French tax authorities. See Note 15 for additional details on the CIR research tax credit.

The research tax credit for 2022 was €4.1 million (€3.9 million for Nanobiotix S.A. and €207 thousand for Curadigm SAS), while the amount for 2021 was €2.5 million (€2.3 million for Nanobiotix S.A. and €218 thousand for Curadigm SAS).

The 2020 research tax credit was collected by the Company in November 2021, and the 2021 research tax credit was collected in December 2022.

The change in research tax credit receivables breaks down as follows:

(in thousands of euros)	
Receivable as of December 31, 2020	**1,927**
Refund of 2020 research tax credit – Nanobiotix SA	(1,858)
Refund of 2020 research tax credit – Curadigm SAS	(69)
2021 research tax credit – Nanobiotix SA	2,272
2021 research tax credit – Curadigm SAS	218
Receivable as of December 31, 2021	**2,490**
Refund of 2021 research tax credit – Nanobiotix SA	(2,272)
Refund of 2021 research tax credit – Curadigm SAS	(218)
2022 research tax credit – Nanobiotix SA	3,884
2022 research tax credit – Curadigm SAS	207
Receivable as of December 31, 2022	**4,091**

Note 9. Cash and cash equivalents

Accounting policy

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other reasons. They are easily converted into known amounts of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents consist of liquid assets that are available immediately and term deposits.

Cash equivalents are measured at amortized cost.

Detail of cash and cash equivalents

Cash and cash equivalent break down as follows:

	As of December 31,	
(in thousands of euros)	**2022**	**2021**
Cash and bank accounts	38,576	83,921
Short-term bank deposits	2,813	—
Net cash and cash equivalents	**41,388**	**83,921**

As of December 31, 2022, net cash and cash equivalents decreased by €42,533 thousand as compared with December 31, 2021

In the framework of the Amendment Agreement with the EIB, the Company has agreed to maintain a minimum cash and cash equivalents balance equal to the outstanding principal owed to EIB €25.3 million as of December 31, 2022.

Note 10. Share Capital

10.1 Capital issued

Accounting policies

Ordinary shares are classified in shareholders’ equity. The cost of equity transactions that are directly attributable to the issue of new shares or options is recognized in shareholders’ equity as a deduction from the proceeds of the issue.

Detail of share capital transactions

(in thousands or number of shares)	Nature of transaction	Share Capital	Premiums related to share capital	Number of shares
December 31, 2020		**1,033**	**255,735**	**34,432,122**
March 31, 2021	Capital increase (AGA 2018-1)	1	0	24,500
March 31, 2021	Capital increase (AGA 2019-1)	11	—	369,250
April 20, 2021	Warrants attribution	—	(11)	—
May 31, 2021	Warrants subscription (BSA 2021)	—	43	—
December 31, 2021		**1,045**	**255,767**	**34,825,872**
March 31, 2022	Capital increase (AGA 2020)	2	—	50,000
March 31, 2022	Prior period adjustments	—	2	—
June 30, 2022	Free Shares attributions (AGA 2022)	—	(9)	—
December 31, 2022		**1,046**	**255,760**	**34,875,872**

As of December 31, 2022, the share capital was €1,046,276 divided into 34,875,872 fully paid in ordinary shares each with a par value of €0.03, as compared with the 2021 share capital of €1,044,776.16 divided into 34,825,872 fully paid in ordinary shares, each with a par value of €0.03.

In 2022, the increase in share capital is linked to the issuance of 50,000 new ordinary shares for fully vested AGA related to the AGA 2020 plan.

In 2021, the increase in share capital is related to the conversion of fully vested warrants related to the AGA 2018-1 and AGA 2019-1 plans.

10.2 Treasury shares

On December 20, 2022 the liquidity contract with Gilbert Dupont was terminated (see Note 4.6 - *Liquidity agreement - Gilbert Dupont*), resulting in the Company receiving 22,118 shares that are reported as treasury shares as of December 31, 2022.

On December 31, 2021, the Company still held ,15,456 treasury shares under the above mentioned liquidity contract.

This liquidity contract complies with the general regulations of, and market practices accepted by, the French Financial Markets Authority ("AMF"), entered into following the Company's French initial public offering in 2012. These shares were deducted from IFRS equity in the amount of €228 thousand and €202 thousand as of December 31, 2022 and 2021, respectively.

10.3 Founders' warrants, warrants, stock options and free shares

Accounting policies

Accounting policies for share-based payments are described in Note 17.

Detail of change in founders' warrants, warrants, stock options and free shares

The Company has granted stock options (OSA), founders' warrants (BSPCE), warrants (BSA), and free shares (AGA) to corporate officers, employees, members of the Executive and Supervisory Board and consultants of the Group. In certain cases, exercise of the stock options, founders' warrants and warrants is subject to performance conditions. The Company has no legal or contractual obligation to pay the options in cash.

The following tables summarize activity in these plans during the years ended December 31, 2022 and 2021.

The impact of share-based payments on income is detailed in Note 17.

Founders' warrants (BSPCE)

Type	Grant date	Exercise price (in euros)	Outstanding at January 1, 2022	Issued	Exercised	Forfeited	Outstanding at December 31, 2022	Number of shares issuable
BSPCE 2012-2	December 18, 2012	6.63	100,000	—	—	(100,000)	—	—
BSPCE 08-2013	August 28, 2013	5.92	50,000	—	—	—	50,000	50,000
BSPCE 09-2014	September 16, 2014	18.68	86,150	—	—	—	86,150	86,150
BSPCE 2015-1	February 10, 2015	18.57	68,450	—	—	—	68,450	68,450
BSPCE 2015-3	June 10, 2015	20.28	30,350	—	—	—	30,350	30,350
BSPCE 2016	February 2, 2016	14.46	200,841	—	—	(215)	200,626	160,673
BSPCE 2017	January 7, 2017	15.93	179,500	—	—	(350)	179,150	179,150
Total			**715,291**	**—**	**—**	**(100,565)**	**614,726**	**574,773**

Type	Grant date	Exercise price (in euros)	Outstanding at January 1, 2021	Issued	Exercised	Forfeited	Outstanding at December 31, 2021	Number of shares issuable
BSPCE 2012-2	December 18, 2012	6.63	100,000	—	—	—	100,000	100,000
BSPCE 08-2013	August 28, 2013	5.92	50,000	—	—	—	50,000	50,000
BSPCE 09-2014	September 16, 2014	18.68	86,150	—	—	—	86,150	86,150
BSPCE 2015-1	February 10, 2015	18.57	68,450	—	—	—	68,450	68,450
BSPCE 2015-3	June 10, 2015	20.28	30,700	—	—	(350)	30,350	30,350
BSPCE 2016	February 2, 2016	14.46	202,617	—	—	(1,776)	200,841	139,461
BSPCE 2017	January 7, 2017	15.93	180,850	—	—	(1,350)	179,500	179,500
Total			**718,767**	**—**	**—**	**(3,476)**	**715,291**	**653,911**

By way of exception, the Executive Board decided to lift, for three former employees and for two former members of the Executive Board, the continued service condition, and, where applicable for a former Executive Board member, the performance conditions to which the exercise of certain BSPCEs was subject, notwithstanding the termination of their employment agreement and/or corporate office.

As of December 31, 2022, the 100,000 warrants granted on December 18, 2012 have expired without being exercised by their holders.

The probability of meeting the performance conditions for the 2016 BSPCE, BSA and OSA performance plans was reassessed as of December 31, 2022. The threshold of 400 patients enrolled in all our clinical studies was reached as of December 31, 2022. As a consequence, new instruments representing 30,060 shares became exercisable.

The impact of share-based payments on income is detailed in Note 17.

Warrant Plans (BSA)

Type	Grant date	Exercise price (in euros)	Outstanding at January 1, 2022	Issued	Exercised	Forfeited	Outstanding at December 31, 2022	Number of shares issuable
BSA 04-12	May 4, 2012	6.00	30,000	—	—	(30,000)	—	—
BSA 2013	April 10, 2013	6.37	6,000	—	—	—	6,000	6,000
BSA 2014	September 16, 2014	17.67	10,000	—	—	—	10,000	—
BSA 2015-1	February 10, 2015	17.67	21,000	—	—	—	21,000	—
BSA 2015-2(a)	June 25, 2015	19.54	64,000	—	—	—	64,000	—
BSA 2017	January 7, 2017	15.76	18,000	—	—	(18,000)	—	—
BSA 2018-1	March 6, 2018	13.550	28,000	—	—	—	28,000	—
BSA 2018-2	July 27, 2018	16.10	5,820	—	—	—	5,820	—
BSA 2019-1	March 29, 2019	11.66	18,000	—	—	—	18,000	—
BSA 2020	March 17, 2020	6.59	18,000	—	—	—	18,000	—
BSA 2021 (a)	April 21, 2021	13.47	14,431	—	—	—	14,431	14,431
BSA 2021 (b)	April 21, 2021	13.64	30,000	—	—	(30,000)	—	—
Total			**263,251**	**—**	**—**	**(78,000)**	**185,251**	**20,431**

Type	Grant date	Exercise price (in euros)	Outstanding at January 1, 2021	Issued	Exercised	Forfeited	Outstanding at December 31, 2021	Number of shares issuable
BSA 04-12	May 4, 2012	6.00	30,000	—	—	—	30,000	30,000
BSA 2013	April 10, 2013	6.37	6,000	—	—	—	6,000	6,000
BSA 2014	September 16, 2014	17.67	10,000	—	—	—	10,000	—
BSA 2015-1	February 10, 2015	17.67	21,000	—	—	—	21,000	—
BSA 2015-2(a)	June 25, 2015	19.54	64,000	—	—	—	64,000	—
BSA 2016	February 2, 2016	13.74	36,208	—	—	(36,208)	—	—
BSA 2016-2	November 3, 2016	15.01	8,000	—	—	(8,000)	—	—
BSA 2017	January 7, 2017	15.76	18,000	—	—	—	18,000	—
BSA 2018-1	March 6, 2018	13.55	28,000	—	—	—	28,000	—
BSA 2018-2	July 27, 2018	16.10	5,820	—	—	—	5,820	—
BSA 2019-1	March 29, 2019	11.66	18,000	—	—	—	18,000	—
BSA 2020	March 17, 2020	6.59	18,000	—	—	—	18,000	—
BSA 2021 (a)	April 21, 2021	13.47	—	48,103	—	(33,672)	14,431	—
BSA 2021 (b)	April 21, 2021	13.64	—	30,000	—	—	30,000	—
Total			**263,028**	**78,103**	**—**	**(77,880)**	**263,251**	**36,000**

During the year ended December 31, 2022, no new warrants were issued

At a meeting on May 4, 2012, the Executive Board, acting pursuant to the delegation, granted 52,500 warrants in favor of Mr. Laurent Condomine and Mr. Christophe Douat of, respectively, 30,000 BSA and 22,500 BSA, each warrant giving its holder the right to subscribe one ordinary share, each with a par value of €0.03 and at a price of €6.00 (share premium included). As of December, 31, 2022, the remaining 30,000 warrants have not been exercised by their beneficiaries and have been all cancelled.

At a meeting on January 1, 2017, the Executive Board, acting pursuant to the delegation, granted 18,000 warrants to members and observers of the Supervisory Board, each warrant giving its holder the right to subscribe to one ordinary share, each with a par value of €0.03 and at a price of €15.76 (share premium included). The subscription period is open from the date of the Executive Board until January 7, 2022, inclusive. As of December, 31, 2022, the remaining 18,000 warrants have not been exercised by their beneficiaries and have been all cancelled.

At a meeting on April 20,2021, the Executive Board, acting pursuant to the same above mentioned delegation, granted 30,000 warrants to a consultant of the Company, each warrant giving its holder the right to subscribe to one ordinary share, each with a par value of €0.03 and at a price of €13.64 (share premium included) at any time during a ten-year period subject to (i) the subscription by such consultant of the warrants and (ii) the drafting by such consultant of a Chemistry, Manufacturing, Control (CMC) risk assessment report. The corresponding subscription period has been fixed from the date of the meeting of the Executive Board until July 20, 2021 inclusive. The related report was not delivered before the end of the subscription period. Therefore, the 30,000 warrants are considered as forfeited.

Stock Option Plans (OSA)

Type	Grant date	Exercise price (in euros)	Outstanding at January 1, 2022	Issued	Exercised	Forfeited	Outstanding at December 31, 2022	Number of shares issuable
OSA 2016-1	February 2, 2016	13.05	400	—	—	—	400	240
OSA 2016-2	November 3, 2016	14.26	4,000	—	—	—	4,000	4,000
OSA 2017	January 7, 2017	14.97	500	—	—	—	500	500
OSA 2018	March 6, 2018	12.87	52,000	—	—	—	52,000	52,000
OSA 2019-1	March 29, 2019	11.08	28,250	—	—	(2,500)	25,750	25,750
OSA LLY 2019	October 24, 2019	6.41	500,000	—	—	—	500,000	—
OSA 2020	March 11, 2020	6.25	387,456	—	—	(6,283)	381,173	274,610
OSA 2021-04	April 20, 2021	13.74	491,200	—	—	(70,000)	421,200	18,619
OSA 2021-06	June 21, 2021	12.99	120,000	—	—	—	120,000	20,000
OSA 2022-001	April 14, 2022	6.17	—	20,000	—	(20,000)	—	—
OSA 2022-06	June 22, 2022	4.16	—	580,900	—	(26,400)	554,500	—
Total			**1,583,806**	**600,900**	**—**	**(125,183)**	**2,059,523**	**395,719**

Type	Grant date	Exercise price (in euros)	Outstanding at January 1, 2021	Issued	Exercised	Forfeited	Outstanding at December 31, 2021	Number of shares issuable
OSA 2016-1	February 2, 2016	13.05	400	—	—	—	400	120
OSA 2016-2	November 3, 2016	14.26	4,000	—	—	—	4,000	4,000
OSA 2017	January 7, 2017	14.97	500	—	—	—	500	500
OSA 2018	March 6, 2018	12.87	52,000	—	—	—	52,000	52,000
OSA 2019-1	March 29, 2019	11.08	28,750	—	—	(500)	28,250	19,165
OSA LLY 2019	October 24, 2019	6.41	500,000	—	—	—	500,000	—
OSA 2020	March 11, 2020	6.25	400,709	—	—	(13,253)	387,456	172,147
OSA 2021-04	April 20, 2021	13.74	—	571,200	—	(80,000)	491,200	—
OSA 2021-06	June 21, 2021	12.99	—	120,000	—	—	120,000	—
Total			**986,359**	**691,200**	**—**	**(93,753)**	**1,583,806**	**247,932**

At a meeting on April 14, 2022, the Executive Board has decided that the 20,000 stock options, each giving the right to subscribe to one ordinary share, each with a par value of €0.03 and at a price of €6.17 (share premium included), granted to Alain Dostie would also be subject to the achievement by December 31, 2022 of a term sheet by Nanobiotix and a partner relating to a financial contribution to the development of the Company's activities of more than 50 million euros and including a marketing component. This performance condition was not achieved as of December 31, 2022 and the related 20,000 stock options were forfeited.

During the 2022 year, we granted 580,900 stock options to our employees and the employees of our subsidiaries composed of 170,400 performance stock options and 410,500 ordinary stock options.

At a meeting on June 22, 2022, the Executive Board, acting pursuant to delegations granted by the Company's shareholders' meeting held on November 30, 2020, granted to certain employees of the Group 170,400 performance stock options, each giving its holder the right to subscribe to one ordinary share, each with a par value of €0.03 and at a price of €4.16 (share premium included). Such stock options are governed by the 2020 stock option plan, adopted by the Executive Board on February 9, 2021, and approved by the Company's annual shareholders' meeting held on April 28, 2021 (the "**2020 Stock Option Plan**").

The performance stock options may be exercised under the following conditions:

- 10% of the stock options may be exercised when the market price of the Company's shares on the regulated market of Euronext in Paris reaches €24.00,
- an additional 10% of the stock options may be exercised when the market price of the Company's shares on the regulated market of Euronext in Paris reaches €30.00,
- an additional 40% of the stock options may be exercised when the market price of the Company's shares on the regulated market of Euronext in Paris reaches €40.00,
- an additional 40% of the stock options may be exercised when the market price of the Company's shares on the regulated market of Euronext in Paris reaches €60.00, and
- at the latest within 10 years of the date of grant, it being specified that stock options which have not been exercised by the end of this 10-year period will be forfeited by law.

It being specified that (i) among such performance stock options that may be exercised, and subject to, for each increment, a continued service condition, their holders may only exercise (x) up to 10% of such performance stock options as from June 22, 2023, (y) an additional 30% of such performance stock options as from June 22, 2024, and (z) the balance, i.e., 60% of such performance stock options as from June 22, 2025, and (ii) such additional vesting condition shall be automatically waived in the event of a change of control.

The number of ordinary and performance stock options that may be exercised under the above exercise schedules would always be rounded down to the nearest whole number.

At a meeting on June 22, 2022, the Executive Board, acting pursuant to delegations granted by the Company's shareholders' meeting held on April 28, 2021, granted to certain employees of the Group and members of the Executive Board 410,500 stock options, each giving its holder the right to subscribe one ordinary share, each with a par value of €0.03 and at a price of €4.16 (share premium included). Such stock options are governed by the 2021 stock option plan, adopted by the Executive Board on June 21, 2021 and approved by the Company's annual shareholders' meeting held on June 23, 2022 (the "**2021 Stock Option Plan**").

The ordinary stock options are exercisable as follows:

- up to one-third of the ordinary stock options as from June 22, 2023;
- an additional one-third of the ordinary stock options as from June 22, 2024,
- the balance, i.e., one-third of the ordinary stock options as from June 22, 2025,

subject to, for each increment, a continued service condition, and in any case, no later than 10 years after the date of grant, it being specified that stock options which have not been exercised by the end of this 10 year period will be forfeited by law.

Free share plans (AGA)

Type	Grant date	Outstanding at January 1, 2022	Issued	Definitively vested	Forfeited	Outstanding at December 31, 2022	Number of shares exercisable
AGA 2020	March 11, 2020	50,000	—	(50,000)	—	—	—
AGA 2021	April 20, 2021	360,512	—	—	(5,801)	354,711	354,711
AGA 2022	June 22, 2022		300,039		(1,004)	299,035	299,035
Total		**410,512**	**300,039**	**(50,000)**	**(6,805)**	**653,746**	**653,746**

Type	Grant date	Outstanding at January 1, 2021	Issued	Definitively vested	Forfeited	Outstanding at December 31, 2021	Number of shares exercisable
AGA 2019-1	March 29, 2019	372,000	—	(369,250)	(2,750)	—	—
AGA 2020	March 11, 2020	50,000	—	—	—	50,000	50,000
AGA 2021	April 20, 2021	—	362,515	—	(2,003)	360,512	360,512
Total		**446,500**	**362,515**	**(393,750)**	**(4,753)**	**410,512**	**410,512**

At a meeting on June 22, 2022, the Executive Board, acting pursuant to the authorization granted by Company's shareholders' meeting on April 20, 2021, granted 300,039 free shares, each with a par value of €0.03 to certain employees of the Group and members of the Executive Board. Such free shares will be subject to a one-year holding period starting at the end of the two-year vesting period, i.e., starting on June 22, 2024. Such free shares are governed by the 2021 free share plan adopted by the Executive Board on June 21, 2021.

Furthermore, the definitive acquisition of the free shares granted to members of the Executive Board is conditioned upon the cumulative achievement of the performance conditions related to internal clinical development of NBTXR3, collaboration milestones, financial objectives and business development opportunities aligned with the Company's strategic operating plan. The achievement of these conditions must be acknowledged by the Executive Board, with the prior approval of the Supervisory Board, before a period ending twenty-four months following June 22, 2022.

At a meeting on March 11, 2020, the Executive Board, acting pursuant to the authorization granted by the thirty-third resolution of the annual shareholders' meeting dated April 11, 2019, granted 50,000 free shares (the "AGA 2020") with a par value of €0.03 to Ms. Anne-Juliette Hermant, a member of the Executive Board.

In addition to the acquisition and holding conditions detailed below, the acquisition of the AGA 2020 granted to Ms. Hermant is conditioned upon the achievement of positive results in Study 1100 in 2020. The satisfaction of this performance condition was acknowledged by the Executive Board, with the approval of the Supervisory Board, on March 17, 2021.

Free share vesting conditions

The AGA 2021 and AGA 2022 are subject to a two-year vesting period and a one-year holding period,. The free shares granted by the Company are definitively acquired at the end of the acquisition period as set by the Executive Board. At the end of such period, the beneficiary is the owner of the shares. However, during the holding period (as set by the Executive Board), if any, the shares may not be sold, transferred or pledged.

Unless otherwise decided by the supervisory and executive boards of the Company, the AGA 2021 and AGA 2022 are subject to continued service during the vesting period (i.e., for the AGA 2021, until April 20,2023 and for AGA 2022, until June 22, 2024), it being specified that, failing such continued service, the beneficiary definitively and irrevocably loses his or her right to acquire the relevant AGA 2021 and AGA 2022.

Unless otherwise decided by the supervisory and executive boards of the Company, in the event of disability or death of a beneficiary before the end of the acquisition period, the relevant free shares shall be definitely acquired at, respectively, the date of disability or the date of the request of allocation made by his or her beneficiary in the framework of the inheritance, provided that such request is made within six months from the date of death.

At a meeting on March 11,2022, the Executive Board acknowledged the definitive acquisition of 50,000 free shares granted on March 11, 2020 following a two-year acquisition period, thus acknowledging the related share capital increase of €1,500.

In accordance with the terms of the free shares, the Executive Board decided to lift, for nine of the Company's employees and a former Executive Board member, the continued service condition to which the definitive acquisition of their free shares is subject, notwithstanding the termination of their employment agreement or corporate office.

The impact of share-based payments on income is disclosed in Note 17. As of December 31, 2022, the assumptions related to the estimated vesting of the founders' warrants, the warrants and performance stock-options have been updated (see Note 17).

10.4 Warrants (BSA) Equity Line KEPLER CHEUVREUX

On May 18, 2022, in accordance with the twenty-first resolution adopted at the April 28, 2021 annual shareholders' meeting, the Executive Board decided, with the prior approval of the Supervisory Board, to implement an equity line financing with Kepler Cheuvreux for the following twenty-four months and, accordingly, to issue to Kepler Cheuvreux a total of 5,200,000 warrants to subscribe for the same number of the Company's ordinary shares (*bons de souscription d'actions* or BSA Kepler). Although Kepler Cheuvreux is acting as the underwriter of the equity line program, Kepler Cheuvreux does not intend to maintain ownership of any shares issued in conjunction with the equity line. Instead, it is expected that Kepler Cheuvreux will sell these shares on the regulated market of Euronext Paris or to investors through block trades. The main terms and conditions of the BSA Kepler are described in the table below:

BSA Kepler	
Date of the shareholders' meeting	April 28, 2021
Date of grant by the Executive Board	May 18, 2022
Maximum number of BSAs authorized	5,200,000
Total number of BSAs granted	5,200,000
Number of shares to which the BSA were likely to give right on the date of their grant	5,200,000
Starting date for the exercise of the BSA	(1)
BSA expiry date	(2)
BSA issue price	500 € in the aggregate
Exercise price per new share	(3)
Terms of exercise	(1)(4)
Number of shares subscribed as of the date of the Annual Report	0
Total number of forfeited or cancelled BSAs as of the date of the Annual Report	0
Total number of BSAs outstanding as of the date of the Annual Report	5,200,000
Total number of shares available for subscription as of the date of the Annual Report (considering the conditions of exercise of the BSAs)	5,200,000
Maximum total number of shares that may be subscribed for upon exercise of all outstanding BSAs (assuming that all the conditions for the exercise of said BSAs are met)	5,200,000

(1) Subject to meeting the contractual conditions, Kepler Cheuvreux undertakes to exercise the BSA Kepler within 24 months of their date of issue. These conditions include:

(i) Unless Kepler Cheuvreux and the Company agree differently from time to time, a limit as to the number of new shares to be issued as part of the exercise of stock warrants: the cumulative number of new shares issued upon exercise of the BSA Kepler shall be less than or equal to 25% of the total number of Nanobiotix shares traded on the regulated market of Euronext Paris (excluding block trades) from the date of the implementation of the financing facility, and

(ii) a limit as to the exercise price of the BSA Kepler: such exercise price shall not be lower than, in any case, the price limit set forth by the combined shareholders' meeting of the Company dated April 28, 2021.

(2) The BSA Kepler may be exercised during a 24-month period as from their issuance date (subject to (i) a prior termination by the Company, at any time, or (ii) an extension for a maximum 6-month period in certain situations), at the end of which the BSA Kepler that are still outstanding shall be purchased by the Company at their issuance price and cancelled.

(3) The exercise price of the BSA Kepler will be based on the lower of the two daily volume-weighted average share prices for the two trading days preceding each issuance, less a maximum discount of 5.0%.

(4) The BSA Kepler may be exercised at any time in whole or in part by Kepler Cheuvreux during their exercise period, subject to a minimum proceeds condition.

Considering that the Company can terminate or suspend the Equity line agreement by buying back the BSAs or increasing the minimum exercise price and that Kepler Cheuvreux is committed to subscribe the shares if the conditions are met, the BSAs granted to Kepler Cheuvreux under the Equity line agreements are off-balance sheet commitments and therefore there is no option or derivative. As structuring commissions are not related to an asset or liability, structuring commissions are expensed at the initiation of the contract.

No BSA has been exercised as at December 31, 2022.

Note 11. Provisions

Accounting policies

Provisions for contingencies and charges

Provisions for contingencies and charges reflect obligations resulting from various disputes and risks which due dates and amounts are uncertain, that the Company may face as part of its normal business activities.

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recorded in provisions is a best estimate of the outflow of resources that will be required to settle the obligation, discounted, if required, at year-end.

Provisions for retirement obligations

Company employees receive the retirement benefits provided for by law in France:

- Lump-sum retirement benefit paid by the Company to employees upon retirement (defined benefit plan); and
- Pension benefits paid by social security agencies, which are financed through employer and employee contributions (State defined contribution plan).

The cost of retirement benefits payable under defined benefit plans is estimated using the projected credit unit cost method.

Past service cost related to non-vested benefits is recognized as an expense (increase in the benefits granted) or as income (reduction in the benefits granted) when the plan amendment or curtailment occurs. Actuarial gains and losses are recognized directly and in full in other comprehensive income (loss) under equity.

Retirement benefit obligations are measured at the present value of future estimated payments by reference to market yields on high quality corporate bonds with a maturity equivalent to that estimated for the plan. The Company uses experts to carry out an annual valuation of the plans. The Company's payments to defined contribution plans are recognized as expenses in each period to which they relate.

As of December 31, 2022 and 2021, the Company updated the parameters for calculating the lump-sum retirement benefit plan to take recent changes into account. The salary increase rate, staff turnover and discount rate were all updated (see Note 11.2 for further details on assumptions used).

(in thousands of euros)	As of January 1, 2022	Increases	Decreases[1]	As of December 31, 2022
Lump-sum retirement benefits	318	—	(48)	270
Non-current provisions	**318**	**—**	**(48)**	**270**
Provisions for disputes	94	80	—	177
Provisions for charges	16	150	(16)	150
Current provisions	**110**	**230**	**(16)**	**327**
Total provisions	**428**	**230**	**(64)**	**597**

(in thousands of euros)	As of January 1, 2021	Increases	Decreases[1]	As of December 31, 2021
Lump-sum retirement benefits	414	—	(97)	318
Non-current provisions	**414**	**—**	**(97)**	**318**
Provisions for disputes	40	54	—	94
Provisions for charges	—	16	—	16
Current provisions	**40**	**70**	**—**	**110**
Total provisions	**454**	**70**	**(97)**	**428**

(1) *See Statement of consolidated cash flows and Note 16.4 for the nature of these decreases*

11.1 Current provisions

Provisions for disputes comprise employee disputes in progress. The increase during 2022 and 2021 of €80 thousand and €54 thousand respectively, were due to new employee disputes that occurred during the respective years.

Provisions for charges amounting to €150 thousand has been recorded in 2022 regarding a risk identified on rent-free period on premises in Paris.

11.2 Non-current provisions

Commitments for retirement benefits

	As of December 31,		
(in thousands of euros)	2022	2021	2020
Provision as of beginning of period	**318**	**414**	**331**
Cost of services	75	84	76
Interests / discounting costs	3	1	3
Expense for the period	**78**	**85**	**79**
Gains or losses related to experience	(29)	(133)	(61)
Gains or losses related to change in demographic assumptions	5	(5)	3
Gains or losses related to change in financial assumptions	(102)	(43)	62
Actuarial gains or losses recognized in other comprehensive income	**(126)**	**(182)**	**4**
Provision as of end of period	**270**	**318**	**414**

The assumptions used to measure lump-sum retirement benefits are as follows:

	As of December 31,		
Measurement date	**2022**	**2021**	**2020**
Retirement assumptions	*Management: Age 66 Non-management: Age 64*	*Management: Age 66 Non-management: Age 64*	*Management: Age 66 Non-management: Age 64*
Social security contribution rate	44 %	42 %	44 %
Discount rate	3.69 %	0.98 %	0.33 %
Mortality tables	Regulatory table INSEE 2016 -2018	Regulatory table INSEE 2015 -2017	Regulatory table INSEE 2014 -2016
Salary increase rate (including inflation)	Executive: 4% Non-Executive: 3.5%	Executive: 3% Non-Executive: 2.5%	Executive: 3% Non-Executive: 2.5%
Staff turnover	Constant average rate of 5.86%	Constant average rate of 5.86%	Constant average rate of 5.86%
Duration	20 years	20 years	17 years

The rights granted to Company employees are defined in the Collective Agreement for the Pharmaceutical industry (manufacturing and sales of pharmaceutical products).

The staff turnover rate was determined using a historical average over the 2017-2022 period.

The sensitivity to the discount rate and to the salary growth is as follows:

Discount rate	3.44%	3.69%	3.94%
Defined Benefit Obligation as of December 31, 2022 (in thousands of euros)	282	270	258

The company does not expect to pay a material amount of benefits for the five next years.

Note 12. Financial liabilities

Accounting policies

The Company receives assistance in the form of grants, conditional advances and interest-free loans.

Under IFRS, a repayable advance that does not require the payment of annual interest is considered to be an interest-free loan. The difference between the amount of the advance at historical cost and the advance discounted at the Company's average borrowing rate is considered to be a government grant. These grants are deferred over the estimated duration of the projects they finance.

The long-term (more than one year) portion of conditional advances is recognized in non-current financial liabilities and the short-term portion in current financial liabilities.

Non-repayable conditional loans are treated as government grants when there is reasonable assurance that the Company will comply with the conditions for non-repayment. Otherwise, they are classified in liabilities.

Government grants made available to offset expenses or losses already incurred, or as immediate financial assistance to the Company with no future related costs, are recognized in income in the period in which the grant is allocated.

Financial liabilities are recognized and measured in accordance with IFRS 9 – *Financial Instruments.* Financial liabilities, including trade and other payables are valued at amortized cost.

Financial liabilities at amortized cost

Loans and other financial liabilities are recognized and measured in accordance with IFRS 9 – *Financial Instruments*.

They are recognized at amortized cost, which is defined under IFRS 9 as the initial value of a financial asset or liability, after deduction of reimbursement of principal, increased or decreased by the accumulated amortization, calculated using the effective interest rate method.

Transaction costs directly attributable to the acquisition or issuance of financial liabilities are deducted from the financial liabilities. The costs are then amortized on an actuarial basis over the life of the liability using the effective interest rate, namely the rate that exactly discounts estimated future cash flows to the net carrying amount of the financial liability in order to determine its amortized cost.

Details of financial liabilities

	As of December 31,	
(in thousands of euros)	**2022**	**2021**
Lease liabilities – Short term	962	1,126
Repayable BPI loan advances - Short term	500	800
PGE Loans*	2,632	1,086
EIB Loan – Short term	467	5,192
Total current financial liabilities	**4,560**	**8,204**
Lease liabilities – Long term	4,568	5,393
Repayable BPI loan advances – Long term	2,258	2,259
PGE Loans*	6,495	8,982
EIB loan – Long term	35,287	21,182
Total non-current financial liabilities	**48,608**	**37,816**
Total financial liabilities	**53,169**	**46,020**

(*)"PGE"or in French "Prêts garantis par l'Etat" are state-guaranteed loans

Repayable BPI loan advances

The Company receives repayable advances from Banque Publique d'Investissement (formerly known as OSEO Innovation). Some of these advances are interest-free and are fully repayable in the event of technical and/or commercial success.

The other advances bear 1.56% interest. The amount to be reimbursed corresponds to the amount received to date, €2.1 million, increased by the interest amount (see Note 12.1).

In June 2020, Curadigm SAS obtained a €500 thousand conditional advance from Bpifrance, €350 thousand of which was received at the signature date. The remaining €150 thousand were released by Bpifrance after the completion of the project in October 2022, and the funds were received early 2023.

EIB loan

In July 2018, the Company obtained a fixed rate and royalties-based loan from the EIB. The loan could reach a maximum amount of €40 million, divided in three tranches. The first tranche, with a nominal value of €16 million, was received in October 2018 and will be repaid in full in 2023. The accumulated fixed-rate interest related to this tranche was to be paid at the same time. The second tranche, with a nominal value of €14 million, was received in March 2019 and was to be repaid between 2021 and 2024. The accumulated fixed-rate interest related to this second tranche was paid twice a year together with the principal due.

The specific conditions for the third tranche were not fulfilled before the July 31, 2021 deadline. Accordingly, the third tranche is no longer available to the Company.

Pursuant to the Amendment Agreement signed on October 18, 2022, as described in Note 4.3, the Company determined that the modifications of the agreement are substantial and is to be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability in accordance with IFRS 9.

Therefore the Company estimated the fair value of the new debt that shall be recorded as a liability at the Amendment Agreement date. The fair value of the new debt shall be equal to the present value of the probable future cash flows based on management business plan using an average discount rate representing the prevailing market conditions at date.

Consequently the company recognized a financial loss of €6.9 million arising from the difference between (i) the carrying amount of the financial liability extinguished (€27.5 million) and the fair value of the new financial liability (€34.4 million).After initial recognition of the new debt, this financial liability will be measured at amortized cost.

Pursuant to the terms of the Amendment Agreement, the Company is also required:

- during a six-year royalty calculation period commencing upon commercialization of NBTXR3, to pay (on each June 30 with respect to the preceding year within the calculation period) additional interest in the form of royalties, calculated according to the number of tranches that have been withdrawn and indexed on the annual sales turnover (see Note 4.3). On the date of the Amendment Agreement, the Company calculated estimated future royalties based on its forecast of future annual sales turnover, and this estimated amount was included in the amortized cost of the loan. When the Company revises its forecasts of estimated royalties, the carrying value of the liability is subsequently adjusted based on the revised estimate of future royalties, which is discounted at the original average discount rate. The related impact on the carrying value of the liability is recorded as financial income or expense, as applicable.
- To pay to the EIB a milestone totalling €20 million which is due and payable in two equal instalments. An advance payment of this milestone shall be paid if and when the Company receives upfront or milestone revenues from deals. The amount of the milestone was included in the amortized cost of the loan.

As part of the restructuring, the Company has agreed to maintain a minimum cash balance equal to the outstanding principal owed to EIB (€25.3 million as of December 31, 2022). All other covenants included in the 2018 finance contract remain unchanged. As of December 31, 2022 no covenant is in breach.Based on the actual forecast and failing to receive appropriate cash-in, whether through a partnership and/or equity raise, it is expected this covenant would be breached during the third quarter 2023.

The company estimated the fair value of the new debt, which required determining the present value of estimated discounted future cash flows using an average interest rate representing the prevailing market conditions at the restructuring date. The estimation involved projecting debt cash outflows based on net sales included in the Business Plan as determined by the company's Strategy direction.

Fixed flows, including principal repayments and interest payments at a fixed rate are consistent with the payments of a standard corporate borrowing or bond. To estimate the present value of these fixed flows, the company has determined a discounting rate consisting of a base rate and a credit spread. The base rate was estimated by considering EUR-denominated interest rate swaps at different maturities matching principal and interest payments at financing date (October 18, 2022), while the credit spread was determined by considering corporate bond spread curves of American and European healthcare groups at financing date, assuming a CCC rating for the company. The average between EUR and USD curves was retained due to the company's international operations, and the high volatility of the EUR curve was also taken into account. The discount rate for fixed flows ranged from 14.95% to 16.09%, depending on the maturity, with the new financing denominated in EUR.

Future royalty payments depend on the company's net sales forecast and therefore depends on its financial performance. Accordingly, in order to estimate the present value of royalty payments, the company has retained a Weighted Average Cost of Capital ("WACC") applicable to Nanobiotix, which is traditionally used to discount future operating cash flows which are exposed to standard operating risk (without taking into account the risk of unsuccessful development of studies which is already captured in the cashflows). Using a detailed calculation methodology, the company has estimated the WACC on October 18, 2022 at 30%.

The combination of the above results is an average discount rate of 21.3%.

Consequently the company recognized a financial loss of €6.9 million arising from the difference between (i) the carrying amount of the financial liability extinguished (€27.5 million) and the fair value of the new financial liability (€34.4 million). After initial recognition of the new debt, this financial liability will be measured at amortized cost based on an average discount interest rate of 21.3%

As of December 31, 2022, the Company conducted sensitivity analysis changing the key assumptions used to determine the fair value of the new financial liability :

Fair value P&L impact is composed of both the impact of determining the initial fair value of the debt and the impact of discounting during the year (from October 18, 2022 to December 31, equivalent to €1.4 million).

- Average discount rate sensitivity analysis

With constant cumulated net sales and commercialization date :

(in thousands of euros)	As of December 31, 2022		
Average discount rate sensitivity	**Base rate -1%**	**Base rate**	**Base rate +1%**
Average discount rate	20.30 %	21.30 %	22.30 %
Total debt amount	(37,123)	(35,754)	(34,452)
Fair value P&L impact	(9,579)	(8,210)	(6,908)
Global impact	**(1,369)**	**—**	**1,301**

- Commercialization date sensitivity analysis

With constant average discount rate and cumulated net sales :

(in thousands of euros)	As of December 31, 2022	
Commercialization date sensitivity	**Based date**	**1 year after (*)**
Total debt amount	(35,754)	(31,076)
Fair value P&L impact	(8,210)	(3,532)
Global impact	**—**	**4,678**

(*) one year post-poning versus first year of commercialization

- Cumulated net sales sensitivity analysis

With constant average discount rate and commercialization date :

(in thousands of euros)	As of December 31, 2022		
Cumulated net sales sensitivity	**-10%**	**Based cumulated net sales**	**+10%**
Total debt amount	(35,584)	(35,754)	(35,923)
Fair value P&L impact	(8,040)	(8,210)	(8,379)
Global impact	**169**	**—**	**(169)**

- Impact on the debt of signing a deal that will generate the PIK early payment

With constant average discount rate, cumulated net sales and commercialization date

(in thousands of euros)	As of December 31, 2022	
Date of a deal	**No Deal before Aug 2023**	**Deal before Aug 2023**
Effective date of PIK interests to be paid	oct-24	oct-23
Total debt amount	(35,754)	(36,073)
Fair value P&L impact	(8,210)	(8,529)
Global impact	**—**	**(319)**

PGE loans

The Company announced in June 2020 that it has received approval for financing from both HSBC and Bpifrance for €5 million each in the form of state-guaranteed loans (“Prêts Garantis par l’État”, or “PGE” in France); the €5 million from HSBC (the ‘‘HSBC PGE Loan’’) was received in June 2020. This loan is booked at amortized cost for a minimum of 12 months and allows the Company to delay the reimbursement of this 12 months loan by 1 to 5 years. The Company used this option and the reimbursement date was delayed by 1 year, starting in September 2022. The effective interest rate amounts to 0.31%. As of December 31, 2022, €661 thousand was repaid from HSBC PGE loan.

On July 10, 2020, the Company entered into the second €5 million PGE loan with Bpifrance (the ‘‘Bpifrance PGE Loan’’). The Bpifrance PGE loan has a six-year term and is 90% guaranteed by the French State. The Bpifrance PGE loan did not bear any interest for the first 12-month period but, following such 12-month period and for the subsequent 5 years, bears an interest rate of 2.25% per annum, inclusive of an annual State guarantee fee of 1.61% per annum. The principal and interest of the Bpifrance PGE loan is being reimbursed in 20 quarterly installments as from October 31, 2021 until July 26, 2026. As of December 31, 2022, €425 thousand was repaid from Bpifrance PGE.

12.1 Conditional advance, bank loan and loans from government and public authorities

The table below shows the detail of liabilities recognized on the statements of financial position by type of conditional advances and loans from government and public authorities.

Conditional advances and loans from government and public authorities

(in thousands of euros)	Bpifrance advance	Interest-free Bpifrance loan	EIB Loan	Curadigm Bpifrance advance	Total
As of January 1, 2021	**2,216**	**974**	**29,251**	**285**	**32,726**
Principal received	—	—	—	—	—
Impact of discounting and accretion	17	19	(5,817)	16	(5,765)
Accumulated fixed interest expense accrual	32	—	1,758	—	1,790
Accumulated variable interest expense accrual	—	—	4,214	—	4,214
Repayment	—	(500)	(3,033)	—	(3,533)
As of December 31, 2021	**2,266**	**493**	**26,374**	**300**	**29,433**
Principal received	—	—	—	—	—
Impact of discounting and accretion and initial fair value determination of new instrument	3	7	6,855	17	6,882
Accumulated fixed interest expense accrual	47	—	1,643	—	1,690
Accumulated variable interest expense accrual	—	—	3,740	—	3,740
Repayment	—	(375)	(2,858)	—	(3,233)
As of December 31, 2022	**2,316**	**125**	**35,754**	**317**	**38,512**

During the year ended December 31, 2022 the increase in the EIB loan of €6.9million relates to the impact in the framework of the Amendment Agreement with EIB. The Company determined that the modifications of the agreement are substantial and is to be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability in accordance with IFRS 9 This financial loss arises from the difference between the carrying amount of the financial liability extinguished (€27.5 million) and the fair value of the new financial liability as of the Amendment Agreement date (€34.4 million). (See Note 4.3)

The impact of discounting and accretion of €5.8 million, in 2021 relates to impact from the “catch-up method” related to the variable compensation further to the royalty component in the EIB loan that is linked to future revenue expectations. When the Company revises its forecasts of estimated royalties, the carrying value of the liability is subsequently adjusted based on the revised estimate of future royalties, which is discounted at the original average discount rate. The related impact on the carrying value of the liability is recorded as financial income or expense, as applicable. The rest of the catch up impact is presented on the line variable interest future payments.

The expected royalty payments to be made in the future, previously estimated as €3.4 million as of December 31, 2021 according to the former EIB contract have been updated to €32.4 million as of December 31, 2022 as a result of the revised terms of the EIB debt amendment and the revised sales forecast.

Bank loan

(in thousands of euros)	HSBC "PGE" (1)	Bpifrance "PGE" (1)	Total
As of January 1, 2021	**5,020**	**5,044**	**10,064**
Principal received	—	—	—
Impact of discounting and accretion	17	(14)	3
Accumulated fixed interest expense accrual (2)	26	120	146
Repayment	(33)	(112)	(145)
As of December 31, 2021	**5,030**	**5,038**	**10,068**
Principal received	—	—	—
Impact of discounting and accretion	(1)	(7)	(8)
Accumulated fixed interest expense accrual (3)	42	111	153
Repayment	(661)	(425)	(1,086)
As of December 31, 2022	**4,409**	**4,717**	**9,127**

(1)"PGE"or in French "Prêts garantis par l'Etat" are state-guaranteed loans

(2) In 2021 the fixed interest accrual refers to guaranteed fee of 0.25% of the principal of the HSBC PGE loan and to a guarantee fee of 0.25% added to a fixed interest rate of 1.36% for the Bpifrance PGE loan, respectively.

(3) In 2022 the fixed interest accrual refers to guaranteed fee of 0.25% of the principal of the HSBC PGE loan and to a guarantee fee of 0.25% added to a fixed interest rate of 1.36% for the Bpifrance PGE loan, respectively.

12.2 Lease liabilities

The table below shows the detail of changes in lease liabilities recognized on the statements of financial position over the periods disclosed:

(in thousands of euros)	Lease liabilities
As of January 1, 2021	**6,188**
New lease contracts	1,476
Impact of discounting of the new lease contracts	(110)
Fixed interest expense	288
Repayment of lease	(1,195)
Early termination of lease contracts	(128)
As of December 31, 2021	**6,519**
New lease contracts	252
Impact of discounting and accretion	(26)
Fixed interest expense	238
Repayment of lease	(1,331)
Early termination of lease contracts	(122)
As of December 31, 2022	**5,530**

12.3 Due dates of the financial liabilities

The due dates for repayment of the advances loans and lease liabilities at their nominal value and including fixed-rate interest are as follows:

	As of December 31, 2022			
(in thousands of euros)	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years
Bpifrance	300	1,300	837	—
Interest-free Bpifrance loan	125	—	—	—
Curadigm interest-free Bpifrance advance	75	200	75	—
HSBC “PGE”	1,287	2,557	631	—
Bpifrance “PGE”	1,345	2,605	948	—
EIB fixed rate loan	467	7,630	30,184	19,869
Lease liabilities	962	2,292	1,904	971
Total	**4,560**	**16,584**	**34,579**	**20,840**

	As of December 31, 2021			
(in thousands of euros)	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years
Bpifrance	300	1,300	808	—
Interest-free Bpifrance loan	500	—	—	—
Curadigm interest-free Bpifrance advance	—	200	150	—
HSBC “PGE” (1)	661	2,572	1,904	—
Bpifrance “PGE” (1)	425	2,662	2,237	—
EIB fixed rate loan	5,192	28,762	—	—
Lease liabilities	1,126	2,252	2,247	1,714
Total	**8,204**	**37,747**	**7,346**	**1,714**

(1)”The Company will reimburse the two “PGE”or (“Prêts garantis par l’Etat” or state-guaranteed loans) over 5 years with a deferral of 1 year (last reimbursement being in 2026), for the reasons mentioned in the paragraph below.

The long-term debt obligations relate to the fixed rate interest and principal payable on repayable advances, the interest-free Bpifrance loan, EIB loan, PGE loans and the lease liabilities. These amounts do not include the discounting impact, but only reflect the committed amounts under those contracts as of December 31, 2022.

The outstanding balance of the EIB loan included in the table above was €58.1 million as of December 31, 2022, including €12.8 million of total fixed rate interest to be paid over the term of the loan, out of which €2.3 million was expensed during the year ended December 31, 2022 and €20 million of milestones payable in two equal instalments at the earlier on, respectively, June 30, 2026 and June 30, 2027 and, failing to commercialize, at the new maturity date of the loan. The balance in the table above does not include €32.4 million of estimated variable rate interest, based on the consolidated forecasted sales expected to be generated by the Company during the six-year period beginning upon NBTXR3 commercialization (see Notes 3.2, 4.3 and 12.1).

Note 13. Trade payables and other current liabilities

13.1 Trade and other payables

Accounting policies

Accounting policies for Trade and other payables are described in Note 12, ‘‘Financial Liabilities.’’

Accrued expenses

Taking into account the time lag between the time at which treatment costs are incurred in studies or clinical trials and the time at which such costs are invoiced, the Company estimates an amount of accrued expenses to record in the financial statements at each reporting date.

The treatment costs for patients were estimated for each study based on contracts signed with clinical research centers conducting the trials, taking into account the length of the treatment and the date of injection of each patient. The total amount estimated for each study has been reduced by the amount of invoices received at the closing date.

Details of trade and other payables

	As of December 31,	
(in thousands of euros)	**2022**	**2021**
Fixed asset payables	228	—
Accrued expenses - clinical trials	5,394	1,486
Trade payables & other accruals	3,999	4,996
Total trade and other payables	**9,621**	**6,482**

Trade and other payables are not discounted, as none of the amounts were due in more than one year.

Fixed Assets Payables amounting to €228 thousand at the end of December 2022 relates to purchase of an irradiator for the laboratory in Paris.

Accrued Expenses related to clinical trials balance increased by €3.9 million between December 2022 and December 2021 mainly due to NANORAY-312 launch and developments in 2022, amounting to €3.9 million accrual as of December 31, 2022, compared to nil as of December 31, 2021.

Overall decrease of trade payables and other accruals balance by €1.0 million is consistent with supplier balances clearance performed during second semester of 2022 and mainly relate to the decrease of supplies costs of to €400 thousand not paid yet as of December 31, 2022, compared to supplies costs of €1,149 thousand not paid yet as of December 31, 2021.

13.2 Other current liabilities

	As of December 31,	
(in thousands of euros)	**2022**	**2021**
Tax liabilities	358	258
Payroll tax and other payroll liabilities	6,237	4,820
Other payables	260	199
Other current liabilities	**6,855**	**5,277**

Payroll tax and other payroll liabilities consist primarily of payroll taxes, namely the employer contribution to be paid on free shares, accrued bonuses, vacation days and related social charges.

Payroll tax and other payroll liabilities increased by €1.4 million from €4.8 million as of December 31, 2021 to €6.2 million as of December 31, 2022, mainly due to bonus accruals for €0.8 million and to employers’ contribution to be paid on free shares for €0.4 million.

13.3 Deferred income and contract liabilities

(in thousands of euros)	As of December 31, 2022	2021
Deferred income	55	254
Contract liabilities	16,518	16,518
Deferred income and contract liabilities	**16,573**	**16,772**

Balance of deferred income and contract liabilities as of December 31, 2022 is stable and mainly consists of Deferred Income relating to grants and subsidies allocated to Curadigm and Nanobiotix SA accounted for in accordance with IAS20, and of contract liabilities relating to the LianBio contract in the amount of €16.5 million, accounted for in accordance with IFRS 15. See Note 15 Revenues and other income for more details.

Note 14. Financial instruments included in the statement of financial position and impact on income

Accounting policies

Accounting policies for financial instruments included in the statements of financial position and impact on income are described in Note 7, ‘‘Non-current financial assets’’, Note 8, ‘‘Trade receivables and other current assets’’, Note 9, ‘‘Cash and cash equivalents’’ and Note 12, ‘‘Financial liabilities.’’

Detail of financial instruments included in the statements of financial position and impact on income

	As of December 31, 2022			
(in thousands of euros)	Book value on the statement of financial position	Financial assets carried at fair value through profit or loss	Assets and liabilities carried at amortized cost	Fair value [1]
Non-current financial assets				
Non-current financial assets	291	—	291	291
Trade receivables	101	—	101	101
Cash and cash equivalents	41,388	—	41,388	41,388
Total assets	**41,780**	**—**	**41,780**	**41,780**
Financial liabilities				
Non-current financial liabilities	48,608	—	48,608	48,608
Current financial liabilities	4,560	—	4,560	4,560
Trade payables and other payables	9,621	—	9,621	9,621
Total liabilities	**62,789**	**—**	**62,789**	**62,789**

[1] The fair value of current and non-current liabilities include loans, repayable advances from Bpifrance, the EIB loan and the HSBC and Bpifrance state-guaranteed loans, was assessed using unobservable "level 3" inputs, in the IFRS 13 classification for fair value.

(in thousands of euros)	As of December 31, 2021 Book value on the statement of financial position	Financial assets carried at fair value through profit or loss	Assets and liabilities carried at amortized cost	Fair value [(1)]
Non-current financial assets				
Non-current financial assets	519	97	421	519
Trade receivables	—	—	—	—
Cash and cash equivalents	83,921	—	83,921	83,921
Total assets	**84,440**	**97**	**84,343**	**84,440**
Financial liabilities				
Non-current financial liabilities	37,816	—	37,816	26,235
Current financial liabilities	8,204	—	8,204	8,204
Trade payables and other payables	6,482	—	6,482	6,482
Total liabilities	**52,502**	**—**	**52,502**	**40,921**

[(1)]The fair value of current and non-current liabilities include loans, repayable advances from Bpifrance, the EIB loan and the HSBC and Bpifrance state-guaranteed loans, was assessed using unobservable "level 3" inputs, in the IFRS 13 classification for fair value..

Management of financial risks

The principal financial instruments held by the Company are instruments classified as cash and cash equivalents. These instruments are managed with the objective of enabling the Company to finance its business activities. The Company's policy is to not use financial instruments for speculative purposes. It does not use derivative financial instruments.

The principal financial risks faced by the Company are liquidity, foreign currency exchange, interest rate and credit risks.

Liquidity risk

As of December 31, 2022, we had cash and cash equivalent of approximately €41.4 million. We have incurred operating losses since inception in 2005. Our current level of cash and cash equivalent alone is not sufficient to meet our projected financial obligations beyond the third quarter of 2023, raising substantial doubt regarding our ability to continue as a going concern. In order to meet our operating cash flow requirements, we plan to pursue additional possible liquidity through the equity line (PACEO) signed with Kepler Cheuvreux, new business development partnerships, collaborative or strategic alliances, additional financing through public or private offerings of capital or debt securities, and through the implementation of cash preservation activities to reduce or defer discretionary spending.

There are no assurances that our efforts to meet our operating cash flow requirements will be successful. If our current cash and cash equivalent as well as our plans to meet our operating cash flow requirements are not sufficient to fund necessary expenditures and meet our obligations as they come due, our liquidity, financial condition, and business prospects will be materially affected.

As part of the Amendment Agreement signed with the EIB, the Company is required to maintain a minimum cash and cash equivalent balance equal to the outstanding principal owed to EIB amounting to €25.3 million as of December 31, 2022. Failure to comply with this covenant will result in the immediate repayment of all or part of the loan outstanding (as requested by the bank), together with accrued interest, prepayment fees and all other accrued or outstanding amounts. However, Nanobiotix has obtained a 15M€ temporary waiver, until July 31, 2023, and has reached an agreement in principle with EIB to automatically extended it until January 31, 2024 should (a) a business development partnership, collaborative or strategic alliance have become effective before July 31, 2023 and (b) the contractual documentation is signed within fifteen days following the date of this form 20-F. Failing this extension period, and except if it has obtained appropriate funding prior, the Company is expected to be in breach of this temporary waiver as of July 31, 2023.

All other covenants included in the 2018 finance contract remain unchanged.

Foreign Currency Exchange Risk

The functional currency of Nanobiotix S.A. is the euro. Exposure to foreign currency exchange risk is derived almost entirely from intragroup transactions between Nanobiotix S.A. and its U.S. subsidiaries, for which the functional currency is the U.S. dollar, as well as trade relations with customers and suppliers outside the euro zone.

At this stage of its development, the Company does not use hedging to protect its business against exchange rate fluctuations. However, a significant increase in its business activity outside the euro zone could lead to a greater exposure to foreign currency exchange risk. If this occurs, the Company may implement a suitable hedging policy for these risks.

The following table shows the impact of a 10% increase or decrease in the exchange rate between the euro and the U.S. dollar, calculated on the amounts of loans to the Company's U.S. subsidiaries as of December 31, 2022 and December 31, 2021.

	For the year ended December 31, 2022			
Impact	**Net income**		**Equity**	
(in thousands of euros)	**Increase**	**Decrease**	**Increase**	**Decrease**
USD / Euro exchange rate	48	(48)	(45)	45
Total	**48**	**(48)**	**(45)**	**45**

	For the year ended December 31, 2021			
Impact	**Net income**		**Equity**	
(in thousands of euros)	**Increase**	**Decrease**	**Increase**	**Decrease**
USD / Euro exchange rate	45	(45)	87	(87)
Total	**45**	**(45)**	**87**	**(87)**

Credit risk

Credit risk arises from cash and cash equivalents, derivative instruments and deposits with banks and other financial institutions as well as from exposure to customer credit, in particular unpaid receivables and transaction commitments.

The credit risk related to cash and cash equivalents and to current financial instruments is not material given the quality of the relevant financial institutions. Customer credit risk is limited, due in part to low trade receivables as of December 31, 2022 and in part to its customers' high credit rating for other receivables.

Interest rate risk

The Company's exposure to interest rate risk is primarily related to cash equivalents and investment securities, which consist of money market mutual funds (SICAVs). Changes in interest rates have a direct impact on the interest earned from these investments and the cash flows generated.

As of December 31, 2022 loans issued by the Company are exclusively fixed rate loans and thus our exposure to interest rate and market risk is deemed low.

Variable interests on the EIB loan are royalty-based and are not subject to market rate risks.

Fair value

As of December 31, 2022, the carrying value of receivables and current liabilities is assumed to approximate their fair value.

Note 15. Revenues and other income

Accounting policies

Revenue and other income

Revenue is recognized in accordance with IFRS 15.

Under IFRS 15, revenue is recognized when the Company satisfies a performance obligation by transferring a distinct good or service (or a distinct bundle of goods and/or services) to a customer, i.e. when the customer obtains control of these goods or services. An asset is transferred when the customer obtains control of the asset (or service).

Given the wide spectrum of therapeutic research and development opportunities, aside from the fields that the Company intends to research and develop with its own scientific and financial resources, the Company has entered and expects to enter into license and collaboration agreements with third parties in certain specific fields that have generated or will generate revenue.

Therefore, each agreement has been and will be analyzed, on a case-by-case basis to determine whether the arrangement contains performance obligations to the other party and, if so, to identify the nature of these performance obligations in order to determine the appropriate accounting under IFRS 15 principles of the amounts that the Company has received or is entitled to receive from the other party *e.g.*:

- Development services performed by the Company to create or enhance an intellectual property controlled by the client, for which revenue is recognized over time, when services are rendered;
- A transfer of control of an existing intellectual property of the Company for which revenue is recognized at the time such control is transferred;
- A license:
    - If the license is assessed to be a right to access the Company’s intellectual property as it exists throughout the license period, revenue is recognized over the license period; or
    - If the license is a right to use the Company’s intellectual property as it exists (in term of forms and functionality), revenue is recognized when the other party is able to use and benefit from the license; or
- Product supply for which the revenue is recognized once the control over the delivered products is transferred.

Contingent revenue arising from successful milestones or sales-based royalties are not recognized before the related milestone has been reached or sale has occurred.

Application of IFRS rules to the license, development and commercialization agreement with LianBio

In May 2021, the Company executed a license arrangement with LianBio, pursuant to which LianBio received an exclusive right to develop and commercialize NBTXR3 in China and other east Asian countries. the Company remains responsible for the manufacturing of the licensed products. The Company is not required to transfer manufacturing know-how, unless the Company, at any time following a change of control of the Company, fails to provide at least 80% of LianBio's requirements for licensed products in a given calendar year. Pursuant to the agreement, the parties will collaborate on the development of NBTRX3 and LianBio will participate in global Phase 3 registrational studies, for several indications, by enrolling patients in China.

The Company received in June 2021 a non-refundable upfront payment of $20 million. In addition, the Company may receive up to $205 million potential additional payments upon the achievement of certain development and sales milestones, as well as tiered, low double-digit royalties based on net sales of NBTXR3 in the licensed territories. The Company is also entitled to receive payments for development and commercial vials ordered by LianBio and supplied by the Company.

The license to commercialize a product candidate, ongoing transfer of unspecified know-how related to development and commercialization and the supply services (for commercial products) are in the scope of IFRS 15, as they are an output of the Company’s ordinary activities. For IFRS 15 purpose, it was determined that the license is not distinct from the commercial manufacturing services because the customer cannot benefit from the license without the manufacturing services and such services are not available from third party-contract manufacturers. Accordingly, the license and commercial manufacturing services are treated as one single performance obligation which is recognized as manufacturing services are performed. Milestone payments linked to regulatory marketing approvals will be included in the transaction price only when and if the contingency is resolved and will be recognized as revenue when manufacturing services are provided. Sales-based milestone payments will be recognized when the sales thresholds are achieved. Royalties will be recognized when the underlying sales are made by LianBio.

The $20 million upfront payment received in June 2021 has been recognized as a Contract Liability and will be recognized as revenue over the term of the arrangement, as manufacturing services (for commercial products) are provided.

The mutualization of development efforts leading to the regulatory marketing approvals are treated as a collaboration arrangement outside of the scope of IFRS 15. If any R&D cost incurred is eligible for partial reimbursement by Lianbio, the corresponding recharge is recognized as Other Income. No such amount has been incurred to date. This includes the supply of products necessary to conduct the clinical trials, R&D cost incurred that are eligible for partial reimbursement by Lianbio, that will be recognized as Other Income. The related income will be recognized respectively when the products will be delivered to Lianbio and when the eligible costs are incurred by LianBio.

Milestone payments linked to regulatory marketing approvals will be included in the transaction price only when and if the contingency is resolved and will be recognized to revenue as manufacturing services are provided. Sales-based milestone payments will be recognized when the sales thresholds are achieved. Royalties will be recognized when the underlying sales are made by LianBio.

On May 9, 2022, the Company signed the clinical supply agreement with LianBio as defined in the license, development, and commercialization agreement. This agreement provides for the supply by the Company to LianBio of vials of NBTXR3 and Cetuximab products for clinical trial development activities. For the year ended December 31, 2022, the Company billed the delivery of NBTXR3 and Cetuximab vials to LianBio amounting to €472 thousand, recorded within Other Income as it relates to the non-IFRS 15 components of the agreement (the development collaboration).

Grants

Due to its innovative approach to nanomedicine, the Company has received various grants and other assistance from the government of France and French public authorities since its creation. The funds are intended to finance its operations or specific recruitments. Grants are recognized in income as the corresponding expenses are incurred and independently of cash flows received.

Research tax credit

The French tax authorities grant a research tax credit (*Crédit d'Impôt Recherche*, or “CIR”), to companies in order to encourage them to conduct technical and scientific research. Companies demonstrating that they have incurred research expenditures that meet the required criteria (research expenses in France or, since January 1, 2005, other countries in the European Community or the European Economic Area that have signed a tax treaty with France containing an administrative assistance clause) receive a tax credit that can theoretically be compensated with the income tax due on the profits of the financial year during which the expenses have been incurred and the following three years. Any unused portion of the credit is then refunded by the French Treasury. If the Company can be qualified as small and medium-sized enterprises, in France the “PME”, it can request immediate refund of the remaining tax credit, without application of the three-year period).

The Company has received research tax credits since its creation. These amounts are recognized as "Other income" in the fiscal year in which the corresponding charges or expenses were incurred. In case of capitalization of research and development expenses, the portion of research tax credit related to capitalized expenses is deducted from the amount of capitalized expenses on the statements of financial position and from the amortization charges for these expenses on the statements of operations.

Detail of revenues and other income

The following table summarizes the Company's revenues and other income per category for the years ended December 31, 2022, 2021, and 2020.

	For the year ended December 31,		
(in thousands of euros)	**2022**	**2021**	**2020**
Services	—	5	50
Other sales	—	5	—
Total revenues	**—**	**10**	**50**
Research tax credit	4,091	2,490	1,927
Subsidies	135	126	526
Other	550	21	10
Total other income	**4,776**	**2,637**	**2,462**
Total revenues and other income	**4,776**	**2,647**	**2,512**

Total Revenues

The Company's revenue of €10 thousand in 2021 and €50 thousand in 2020 was derived mainly from the charging-back of shared external clinical research organization costs in connection with the development support provided by the Company to PharmaEngine as part of the 2014 amendment to the Company's License and Collaboration Agreement. There was no revenue recognized in 2022.

Research Tax Credit

Research tax credit increased from €1,927 thousand in 2020 to €2,490 thousand in 2021 and to €4,091 thousand in 2022 due mainly to an increase of research and development expenses, and to the inclusion of additional eligible expenses from contract research organizations for clinical trials, mainly related to the 312 study.

Subsidies

In 2020, the Company's "subsidies" income was mainly derived from €312 thousand French State subsidies provided as part of the "partial unemployment measure," a national plan allowing companies facing economic challenges during the COVID-19 crisis to receive from the French State approximately 84% of specific employees' net salary. Besides, "Subsidies" in the other income included €187 thousand recognized as revenue in connection with the Bpifrance Deep Tech Funding granted to Curadigm SAS for the year ended December 31, 2020, €126 thousand for the year ended December 31, 2021, and €130 thousand for the year ended December 31, 2022.

Other

Other income mainly includes income for supply services, provided in connection with the clinical supply agreement signed in May 2022 with LianBio (see Note 4.1), amounting to €474 thousand in 2022. The Company shall supply LianBio with NBTXR3 product for the purpose of the development of licensed products in LianBio's territory.

Note 16. Operating expenses

Accounting policies

Leases included in the practical expedients under the IFRS 16 standard and used by the Company (low value asset and short-term leases) are recognized in operating expenses. Payments made for these leases are expensed, net of any incentives, on a straight-line basis over the contract term (see Note 23).

Accounting policies for research and development expenses are described in Note 5.

16.1 Research and development expenses

	For the year ended December 31,		
(in thousands of euros)	**2022**	**2021**	**2020**
Purchases, sub-contracting and other expenses	(20,415)	(19,562)	(12,734)
Payroll costs (including share-based payments)	(10,868)	(9,605)	(10,306)
Depreciation, amortization and provision expenses[1]	(1,353)	(1,211)	(1,290)
Total research and development expenses	**(32,636)**	**(30,378)**	**(24,330)**

[1] see note 16.4 Depreciation, amortization and provision expenses

Purchases, sub-contracting and other expenses

Purchases, sub-contracting and other expenses increased by €0.9 million, or 4.4% for the year ended December 31, 2022 as compared with the same period in 2021. This reflects the increase of the clinical development activities, especially driven by our global Phase 3 clinical trial for elderly head and neck cancer patients ineligible for platinum-based (cisplatin) chemotherapy (NANORAY-312).

Purchases, sub-contracting and other expenses increased by €6.9 million, or 54% for the year ended December 31, 2021 as compared with the same period in 2020. This reflects the increase of the clinical development activities, especially driven by the launch of our global Phase III clinical trial for elderly head and neck cancer patients ineligible for platinum-based (cisplatin) chemotherapy (NANORAY-312).

Payroll costs

Payroll costs increased by €1.3 million, or 13% for the year ended December 31, 2022 as compared with the same period in 2021. This variation is mainly due to cost of living adjustments and higher bonus expenses. Payroll costs decreased by €774 thousand, or 8% for the year ended December 31, 2021 as compared with the same period in 2020. This variation is mainly due to a change in the mix and in the location of our research and development staff.

As of December 31, 2022, the Company's workforce amounted to 74 research and development staff, including 1 additional position created during the year ended December 31, 2022.

As of December 31, 2021, the Company's workforce amounted to 73 research and development staff, including 7 additional positions created during the year ended December 31, 2021.

As of December 31, 2020, the Company's workforce amounted to 66 research and development staff, including a decrease of 15 positions created during the year ended December 31, 2020.

The impact of share-based payments (excluding employer's contribution) on research and development expenses amounted to €334 thousand in 2022 as compared with €677 thousand in 2021 and €629 thousand in 2020.

16.2 Selling, General and Administrative (SG&A) expenses

	For the year ended December 31,		
(in thousands of euros)	**2022**	**2021**	**2020**
Purchases, fees and other expenses	(7,792)	(9,638)	(6,482)
Payroll costs (including share-based payments)	(9,688)	(9,379)	(7,789)
Depreciation, amortization and provision expenses [1]	(378)	(417)	(340)
Total SG&A expenses	**(17,857)**	**(19,434)**	**(14,611)**

[1] *see note 16.4 Depreciation, amortization and provision expenses*

Purchases, fees and other expenses

In 2022, purchases, fees and other expenses decreased by €1.8 million, or 19% for the year ended December 31, 2022 as compared with the same period in 2021. This variation reflects the Company's actions to reduce reliance on external support for core activities as well as rationalization of and cost savings achieved relative to the services procured.

In 2021, purchases, fees and other expenses increased by €3.2 million, or 49% for the year ended December 31, 2021 as compared with the same period in 2020. This variation reflects two main impacts, first the legal expenses relating to partnership agreements as well as consulting fees, legal and compliance expenses as a result of being a U.S. public company. The second main impact relates to recruitment expenses.

Payroll costs

Payroll costs increased by €0.3 million or 3.3% in 2022, mainly driven by the recruitment of a General Counsel in 2022. In 2021, payroll costs increased by €1.6 million or 21% as compared to 2020, mainly due to a change in the mix and location changes of our staff in SG&A functions (more US based employees) and a one-time severance payment related to the departure of Philippe Mauberna, the prior CFO.

As of December 31, 2022, the Company's workforce amounted to 28 staff in SG&A functions in comparison with a Company's workforce of 27 staff in SG&A functions during the year ended December 31, 2021.

As of December 31, 2021, the Company's workforce amounted to 27 staff in SG&A functions in comparison with a Company's workforce of 24 staff in SG&A functions during the year ended December 31, 2020.

The impact of share-based payments (excluding employer's contribution) on SG&A expenses amounted to €2.8 million in 2022, as compared with €2.5 million in 2021 and €2.3 million in 2020.

16.3 Payroll costs

	For the year ended December 31,		
(in thousands of euros)	**2022**	**2021**	**2020**
Wages and salaries	(12,345)	(11,391)	(11,141)
Payroll taxes	(4,963)	(4,308)	(3,953)
Share-based payments	(3,174)	(3,201)	(2,924)
Retirement benefit obligations	(75)	(84)	(76)
Total payroll costs	**(20,556)**	**(18,984)**	**(18,094)**
Average headcount	100	96	97
End-of-period headcount	102	100	90

As of December 31, 2022, the Company's workforce totaled 102 employees, compared with 100 as of December 31, 2021 and 90 as of December 31, 2020.

In 2022, wages, salaries and payroll costs, together, amounted to €17.3 million as compared with €15.7 million in 2021. This is mainly due to 2 additional positions created during the year ended December 31, 2022 as well as annual cost of living adjustments, and higher bonus expenses.

In 2021, wages, salaries and payroll costs, together, amounted to €15.7 million as compared with €15.1 million in 2020. This is mainly due to the 10 additional positions created during the year ended December 31, 2021, as for the year ended December 31, 2020 the staff decreased due to the COVID 19 pandemic.

In accordance with IFRS 2 – Share-based Payment, the share-based payment amount recognized in the statements of operations reflects the expense associated with rights vesting during the fiscal year under the Company's share-based compensation plans. The share-based payment expenses amounted to €3.2 million for the years ended December 31, 2022 and December 31, 2021, as compared with €2.9 million as of December 31, 2020 (see Note 17).

16.4 Depreciation, amortization and provision expenses

Depreciation, amortization and provision expenses by function are detailed as follows:

	For the year ended December 31, 2022		
(in thousands of euros)	**R&D**	**SG&A**	**Total**
Amortization expense of intangible assets	(2)	(1)	(3)
Amortization expense of tangible assets	(1,164)	(334)	(1,497)
Utilization of provision for disputes	—	—	—
Provision for charges	(187)	(43)	(230)
Utilization of provision for charges	—	—	—
Total depreciation, amortization and provision expenses (except IAS 19)	**(1,353)**	**(378)**	**(1,730)**
Provision for retirement benefit obligations (IAS 19)	(48)	(26)	(75)
Total Provision for retirement benefit obligations (IAS 19)	**(48)**	**(26)**	**(75)**
Total depreciation, amortization and provision expenses	**(1,401)**	**(404)**	**(1,805)**

	For the year ended December 31, 2021		
(in thousands of euros)	**R&D**	**SG&A**	**Total**
Amortization expense of intangible assets	(34)	(10)	(45)
Amortization expense of tangible assets	(1,109)	(406)	(1,515)
Utilization of provision for disputes	—	—	—
Provision for charges	(68)	—	(68)
Reversal of provision for disputes	—	—	—
Total depreciation, amortization and provision expenses (except IAS 19)	**(1,211)**	**(417)**	**(1,628)**
Provision for retirement benefit obligations (IAS 19)	(49)	(35)	(84)
Total Provision for retirement benefit obligations (IAS 19)	**(49)**	**(35)**	**(84)**
Total depreciation, amortization and provision expenses	**(1,260)**	**(452)**	**(1,712)**

	For the year ended December 31, 2020		
(in thousands of euros)	**R&D**	**SG&A**	**Total**
Amortization expense of intangible assets	(152)	(23)	(176)
Amortization expense of tangible assets	(1,250)	(329)	(1,579)
Utilization of provision for disputes	145	—	145
Provision for charges	—	(40)	(40)
Reversal of provision for disputes	—	19	19
Total depreciation, amortization and provision expenses (except IAS 19)	**(1,257)**	**(373)**	**(1,630)**
Provision for retirement benefit obligations (IAS 19)	(46)	(30)	(76)
Total Provision for retirement benefit obligations (IAS 19)	**(46)**	**(30)**	**(76)**
Total depreciation, amortization and provision expenses	**(1,303)**	**(403)**	**(1,706)**

16.5 Other operating income and expenses

(in thousands of euros)	For the year ended December 31, 2022	2021	2020
Other operating expenses	(985)	(5,414)	—
Total Other operating income and expenses	**(985)**	**(5,414)**	**—**

In the context of the termination agreement signed with PharmaEngine, the Company has made payments for a cumulative amount of $1 million in 2022 following receipt and validation of certain clinical study reports, as compared with $6.5 million in 2021 (€985 thousand and €5.4 million converted at the exchange rate on the payment date in 2022 and 2021 respectively) in accordance with the termination and release agreement signed between the parties. See Note 4.2 PharmaEngine.

Note 17. Share-based payments

Accounting policy

Since its inception, the Company has granted stock options (*option sur actions*, ‘‘OSA’’), warrants (*bons de souscription d’actions*, ‘‘BSA’’), founders’ warrants (bons de souscription de parts de créateur d’entreprise, ‘‘BSPCE’’) and free shares (*attributions gratuites d’actions*, ‘‘AGA’’) to corporate officers, employees and members of the Supervisory Board and consultants. In certain cases, exercise of the options and warrants is subject to performance conditions. The Company has no legal or contractual obligation to pay the options in cash.

These share-based compensation plans are settled in equity instruments.

The Company has applied IFRS 2 – Share-based Payment to all equity instruments granted to employees since 2006.

As required by IFRS 2 – Share-based Payment, the cost of compensation paid in the form of equity instruments is recognized as an expense, with a corresponding increase in shareholders’ equity for the vesting period during which the rights with respect to the equity instruments are earned.

The fair value of the equity instruments granted to employees is measured using the Black-Scholes or Monte Carlo model, as described below.

At each closing date, the number of options likely to become exercisable is re-examined. If applicable, changes to the estimated number of options expected to become exercisable are recognized in the consolidated statement of income with a corresponding adjustment in equity.

Detail of share-based payments

The number of warrants and options outstanding on December 31, 2022 and their main characteristics, are detailed below:

Founders' warrants

	Pre-2022 founders' warrant plans				
	BSPCE 2012-2	**BSPCE 08-2013**	**BSPCE 09-2014**	**BSPCE 2015-1**	**BSPCE 2015-03**
Type of underlying asset	New shares	New shares	New shares	New shares	New shares
Number of founder's warrants granted	100,000	50,000	97,200	71,650	53,050
Date of shareholders' resolution approving the plan	05/04/2012	06/28/2013	06/18/2014	06/18/2014	06/18/2014
Grant date	12/18/2012	08/28/2013	09/16/2014	02/10/2015	06/10/2015
Contractual expiration date	12/18/2022	08/28/2023	09/16/2024	02/10/2025	06/10/2025
Grant price	—	—	—	—	—
Exercise price	€6.63	€5.92	€18.68	€18.57	€20.28
Number of founders' warrants as of December 31, 2022	**—**	**50,000**	**86,150**	**68,450**	**30,350**
Number of founders' warrants exercised	—	—	—	—	—
Including founders' warrants exercised during the period	—	—	—	—	—
Number of founders' warrants lapsed or cancelled	100,000	—	11,050	3,200	22,700
Including founders' warrants lapsed or cancelled during the period	*100,000*	—	—	—	—

	Pre-2022 founders' warrant plans			
	BSPCE 2016 Ordinary	**BSPCE 2016 Performance**	**BSPCE 2017 Ordinary**	**BSPCE 2017**
Type of underlying asset	New shares	New shares	New shares	New shares
Number of founder's warrants granted	126,400	129,250	117,650	80,000
Date of shareholders' resolution approving the plan	06/25/2015	06/25/2015	06/23/2016	06/23/2016
Grant date	02/02/2016	02/02/2016	01/07/2017	01/07/2017
Contractual expiration date	02/02/2026	02/02/2026	01/07/2027	01/07/2027
Grant price	—	—	—	—
Exercise price	€14.46	€14.46	€15.93	€15.93
Number of founders' warrants as of December 31, 2022	**100,567**	**100,059**	**99,150**	**80,000**
Number of founders' warrants exercised	333	—	—	—
Including founders' warrants exercised during the period	—	—	—	—
Number of founders' warrants lapsed or cancelled	25,500	29,191	18,500	—
Including founders' warrants lapsed or cancelled during the period	—	*215*	*350*	—

Warrants

	Pre-2022 warrant plans						
	BSA 04-2012	**BSA 2013**	**BSA 2014**	**BSA 2015-1**	**BSA 2015-2 (a)**	**BSA 2015-2 (b)**	**BSA 2016 ordinary**
Type of underlying assets	New shares	New shares	New shares	New shares	New shares	New shares	New shares
Number of warrants granted	52,500	10,000	14,000	26,000	64,000	6,000	18,103
Date of shareholders' resolution approving the plan	05/04/2012	05/04/2012	06/18/2014	06/18/2014	06/18/2014	06/25/2015	06/25/2015
Grant date	05/04/2012	04/10/2013	09/16/2014	02/10/2015	06/25/2015	06/25/2015	02/02/2016
Contractual expiration date	05/04/2022	04/10/2023	09/16/2024	02/10/2025	06/25/2025	06/25/2020	02/02/2021
Grant price	€0.60	€2.50	€4.87	€4.87	€5.00	€2.80	€1.67
Exercise price	€6.00	€6.37	€17.67	€17.67	€19.54	€19.54	€13.74
Number of warrants as of December 31, 2022	**—**	**6,000**	**10,000**	**21,000**	**64,000**	**—**	**—**
Number of warrants exercised	*22,500*	—	—	—	—	—	—
Including warrants exercised during the period	—	—	—	—	—	—	—
Number of warrants lapsed or cancelled	30,000	4,000	4,000	5,000	—	6,000	18,103
Including warrants lapsed or cancelled during the period	*30,000*	—	—	—	—	—	—

	Pre-2022 warrant plans						
	BSA 2016 performance	**BSA 2016-2**	**BSA 2017**	**BSA 2018-1**	**BSA 2018-2**	**BSA 2019-1**	**BSA 2020**
Type of underlying assets	New shares	New shares	New shares	New shares	New shares	New shares	New shares
Number of warrants granted	18,105	8,000	18,000	28,000	5,820	18,000	18,000
Date of shareholders' resolution approving the plan	06/25/2015	06/23/2016	06/23/2016	06/14/2017	05/23/2018	05/23/2018	04/11/2019
Grant date	02/02/2016	11/03/2016	01/07/2017	03/06/2018	07/27/2018	03/29/2019	03/17/2020
Contractual expiration date	02/02/2021	11/03/2021	01/07/2022	03/06/2023	07/27/2028	03/29/2029	03/17/2030
Grant price	€1.67	€2.03	€2.26	€1.62	€2.36	€1.15	€0.29
Exercise price	€13.74	€15.01	€15.76	€13.55	€16.10	€11.66	€6.59
Number of warrants as of December 31, 2022	**—**	**—**	**—**	**28,000**	**5,820**	**18,000**	**18,000**
Number of warrants exercised	—	—	—	—	—	—	—
Including warrants exercised during the period	—	—	—	—	—	—	—
Number of warrants lapsed or cancelled	18,105	8,000	18,000	—	—	—	—
Including warrants lapsed or cancelled during the period	—	—	*18,000*	—	—	—	—

	Pre-2022 warrant plans	
	BSA 2021 (a)	**BSA 2021 (b)**
Type of underlying assets	New shares	New shares
Number of warrants granted	48,103	30,000
Date of shareholders' resolution approving the plan	11/30/2020	11/30/2020
Grant date	04/20/2021	04/20/2021
Contractual expiration date	04/20/2031	04/20/2031
Grant price	€2.95	€0.68
Number of warrants as of Exercise price	€13.47	€13.64
Number of warrants as of December 31, 2022	**14,431**	**—**
Number of warrants exercised	—	—
Including warrants exercised during the period	—	—
Number of warrants lapsed or cancelled	33,672	30,000
Including warrants lapsed or cancelled during the period	—	*30,000*

Stock options

	Pre-2022 stock option plans						
	OSA 2016-1 Performance	OSA 2016-2	OSA 2017 Ordinary	OSA 2018	OSA 2019-1	OSA LLY 2019	OSA 2020
Type of underlying asset	New shares	New shares	New shares	New shares	New shares	New shares	New shares
Number of options granted	6,400	4,000	3,500	62,000	37,500	500,000	407,972
Date of shareholders' resolution approving the plan	06/25/2015	06/23/2016	06/23/2016	06/14/2017	05/23/2018	04/11/2019	04/11/2019
Grant date	02/02/2016	11/03/2016	01/07/2017	03/06/2018	03/29/2019	10/24/2019	03/11/2020
Contractual expiration date	02/02/2026	11/03/2026	01/07/2027	03/06/2028	03/29/2029	10/24/2029	03/11/2030
Grant price	—	—	—	—	—	—	—
Exercise price	€13.05	€14.26	€14.97	€12.87	€11.08	€6.41	€6.25
Number of options as of December 31, 2022	**400**	**4,000**	**500**	**52,000**	**25,750**	**500,000**	**381,173**
Number of options exercised	—	—	—	—	—	—	—
Number of options as of Including options exercised during the period	—	—	—	—	—	—	—
Number of options lapsed or cancelled	6,000	—	3,000	10,000	11,750	—	26,799
Including options lapsed or cancelled during the period	—	—	—	—	*2,500*	—	*6,283*

	Pre-2022 stock option plans		2022 stock option plans		
	OSA 2021-04	OSA 2021-06	OSA 2022-001	OSA 2022-06 Ordinary	OSA 2022-06 Performance
Type of underlying asset	New shares	New shares	New shares	New shares	New shares
Number of options granted	571,200	120,000	20,000	410,500	170,400
Date of shareholders' resolution approving the plan	11/30/2020	04/28/2021	11/30/2020	04/28/2021	11/30/2020
Grant date	04/20/2021	06/21/2021	04/14/2022	06/22/2022	06/22/2022
Contractual expiration date	04/20/2031	06/21/2031	04/14/2032	06/22/2032	06/22/2032
Grant price	—	—	—	—	—
Exercise price	€13.74	€12.99	€6.17	€4.16	€4.16
Number of options as of December 31, 2022	**421,200**	**120,000**	**—**	**398,000**	**156,500**
Number of options exercised	—	—	—	—	—
Number of options as of Including options exercised during the period	—	—	—	—	—
Number of options lapsed or cancelled	150,000	—	20,000	12,500	13,900
Including options lapsed or cancelled during the period	*70,000*	—	*20,000*	*12,500*	*13,900*

Free shares

	Pre-2022 free shares plan					2022 free shares plan
	AGA 2018-1	**AGA 2018-2**	**AGA 2019-1**	**AGA 2020**	**AGA 2021**	**AGA 2022**
Type of underlying assets	New shares	New shares	New shares	New shares	New shares	New shares
Number of free shares granted	396,250	6,000	438,250	50,000	362,515	300,039
Date of shareholders' resolution approving the plan	06/14/2017	05/23/2018	05/23/2018	04/11/2019	11/30/2020	04/28/2021
Grant date	03/06/2018	07/27/2018	03/29/2019	03/11/2020	04/20/2021	06/22/2022
Grant price	—	—	—	—	—	—
Exercise price	—	—	—	—	—	—
Number of free shares as of December 31, 2022	**—**	**—**	**—**	**—**	**354,711**	**299,035**
Number of free shares exercised	340,583	6,000	369,250	50,000	—	—
Including free shares exercised during the period	—	—	—	*50,000*	—	—
Number of free shares lapsed or cancelled	55,667	—	69,000	—	7,804	1,004
Including free shares lapsed or cancelled during the period	—	—	—	—	*5,801*	*1,004*

	BSPCE	**BSA**	**OSA**	**AGA**	**Total**
Total number of shares underlying grants outstanding as of December 31, 2022	**614,726**	**185,251**	**2,059,523**	**653,746**	**3,513,246**

	BSPCE	**BSA**	**OSA**	**AGA**	**Total**
Total number of shares underlying grants outstanding as of December 31, 2021	**715,291**	**263,251**	**1,583,806**	**410,512**	**2,972,860**

	BSPCE	**BSA**	**OSA**	**AGA**	**Total**
Total number of shares underlying grants outstanding as of December 31, 2020	**718,767**	**263,028**	**986,359**	**446,500**	**2,414,654**

The measurement methods used to estimate the fair value of stock options, warrants and free shares are described below:

- The share price on the grant date is equal to the exercise price, except for the BSA 2014 which exercise price was set at €17.67, taking into account both the average share price on the 20 days preceding the grant date and the expected development perspectives of the Company;
- The risk-free rate was determined based on the average life of the instruments; and
- Volatility was determined based on volatility observed on Nanobiotix shares on the grant date and for a period equal to the life of the warrant or option

The performance conditions for all of the plans were assessed as follows:

- Performance conditions unrelated to the market were analyzed to determine the likely exercise date of the warrants and options and expense was recorded accordingly based on the probability these conditions would be met; and
- Market-related performance conditions were directly included in the calculation of the fair value of the instruments.

Except for the 2012-1 founders' warrants, the fair value of the warrants and options was measured using the Black-Scholes model.

The fair value of 2012-1 founders' warrants was determined using the Monte Carlo valuation model to take into account the exercise conditions, which depend on the realized gain compared to the expected stock market listing price.

The probability of meeting the performance conditions for the 2016 BSPCE, BSA and OSA performance plans was reassessed as of December 31, 2022. The threshold of 400 patients enrolled in all our clinical studies was reached as of December 31, 2022. As a consequence, new instruments became exercisable.

BSPCE	Share price *(in euros)*	Exercise price *(in euros)*	Volatility	Maturity *(in years)*	Risk-free rate	Yield	Value of initial plan *(in thousands of euros)*	Expense for the year ended 2022 *(in thousands of euros)*	Expense for the year ended 2021 *(in thousands of euros)*	Expense for the year ended 2020 *(in thousands of euros)*
BSPCE 2012-1	5.26	5.26	41%	3.49	0.20%	0.00 %	307	—	—	—
BSPCE 2012-2	6.65	6.63	44.3% - 47.6%	5 - 7.30	0.84% - 1.22%	0.00 %	288	—	—	—
BSPCE 04-2013	6.30	6.30	56%	5	0.90%	0.00 %	167	—	—	—
BSPCE 08-2013	6.30	5.92	256%	7	0.90%	0.00 %	152	—	—	—
BSPCE 09-2014	18.68	18.68	58%	5.5/6/6.5	0.64%	0.00 %	965	—	—	—
BSPCE 2015-1	18.57	18.57	58% - 62% - 61%	5.5/6/6.5	0.39%	0.00 %	50	—	—	—
BSPCE 2015-2	18.57	18.57	58% - 62% - 61%	5.5/6/6.5	0.39%	0.00 %	705	—	—	—
BSPCE 2015-3	20.28	20.28	61% - 62% - 61%	5.5/6/6.5	0.56%	0.00 %	483	—	—	—
BSPCE 2016 Ordinary	14.46	14.46	59% - 62% - 60%	5.5/6/6.5	0.32%	0.00 %	1,080	—	—	—
BSPCE 2016 Performance	14.46	14.46	59%	5	0.19%	0.00 %	1,212	28	32	99
BSPCE 2017 Ordinary	15.93	15.93	58% - 61% - 59%	5.5/6/6.5	0.23%	0.00 %	1,000	0	0	8
BSPCE 2017 Performance	15.93	15.93	59%	5	0.11%	0.00 %	622	—	—	—
BSPCE 2017	15.93	15.93	59%	5	0.11%	0.00 %	627	—	—	—
BSPCE 2017 Project	15.93	15.93	59%	5	0.11 %	0.00 %	94	—	—	—
Total BSPCE	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**28**	**32**	**107**

BSA	Share price *(in euros)*	Exercise price *(in euros)*	Volatility	Maturity *(in years)*	Risk-free rate	Yield	Value of initial plan *(in thousands of euros)*	Expense for the year ended 2022 *(in thousands of euros)*	Expense for the year ended 2021 *(in thousands of euros)*	Expense for the year ended 2020 *(in thousands of euros)*
BSA 2012	6.00	6.00	49 %	10	0.96 %	0.00 %	183	—	—	—
BSA 2013	6.30	6.37	156 %	6	0.90 %	0.00 %	1	—	—	—
BSA 2014	18.68	17.67	57 %	5	0.41 %	0.00 %	—	—	—	—
BSA 2015-1	17.67	17.67	58 %	5	0.26% - 0.27%	0.00 %	63	—	—	—
BSA 2015-2 a	19.54	19.54	58%-58 %-57%-58%	5/5.1/5.3/ 5.4	0.39 %	0.00 %	16	—	—	—
BSA 2015-2 b	19.54	19.54	58% - 60%	4.6 – 9.6	0.25% - 0.91%	0.00 %	284	—	—	—
BSA 2016o-1	13.74	13.74	57 %	2.4	0.00 %	0.00 %	37	—	—	—
BSA 2016p-1	13.74	13.74	57 %	2.4	0.00 %	0.00 %	143	—	—	—
BSA 2016-2	15.01	15.01	57 %	2.4	0.00 %	0.00 %	—	—	—	—
BSA 2017o-1	15.76	15.76	33 %	2.4	0.00 %	0.00 %	—	—	—	—
BSA 2018-1	13.55	13.55	38 %	4.8	0.7% - 0.1%	0.00 %	2	—	—	—
BSA 2018-2	16.10	16.10	38 %	4.8	0.7% - 0.1%	0.00 %	1	—	—	—
BSA 2019-1	11.66	11.66	37 %	9.8/9.9	0.16% - 0.50%	0.00 %	24	—	—	—
BSA 2020	6.59	6.59	38 %	10	(0.13)% - (0.07)%	0.00 %	19	—	—	19
BSA 2021 (a)	13.47	13.47	39.10 %	10	0.27 %	0.00 %	44	—	44	—
BSA 2021 (b)	13.64	13.64	n.a.	10	0.27 %	0.00 %	—	—	—	—
Total BSA	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**—**	**44**	**19**

OSA	Share price *(in euros)*	Exercise price *(in euros)*	Volatility	Maturity *(in years)*	Risk-free rate	Yield	Value of initial plan *(in thousands of euros)*	Expense for the year ended 2022 *(in thousands of euros)*	Expense for the year ended 2021 *(in thousands of euros)*	Expense for the year ended 2020 *(in thousands of euros)*
OSA 2016 Ordinary	13.05	13.05	59% - 62% - 60%	5.5 / 6 /6.5	0.32%	0.0%	117	—	—	—
OSA 2016 Performance	13.05	13.05	59 %	5	0.19%	0.0%	69	—	—	—
OSA 2016-2	14.26	14.26	58% - 62% - 59%	5.5 / 6 /6.5	0.04%	0.0%	27	—	—	—
OSA 2017 Ordinary	15.93	14.97	58% - 61% - 59%	5.5 / 6 /6.5	0.23%	0.0%	31	—	—	—
OSA 2017 Performance	15.93	14.97	59 %	5	0.11%	0.0%	35	—	—	—
OSA 2018	12.87	12.87	35 %	5.5 / 6 /6.5	0.00%	0.0%	252	—	—	7
OSA 2019-1	11.08	11.08	38.1% / 37.4%	6 /6.5	0.103% / 0.149%	0.0%	140	(1)	17	49
OSA 2019-2	6.41	6.41	37 %	10	0.40%	0.0%	252	—	—	—
OSA 2020	6.25	6.25	38 %	10	0.31%	0.0%	939	101	329	453
OSA 2021-04 O	13.60	13.74	38.9% - 37.8% - 38.3%	5.5 / 6 /6.5	0.38%/ 0.33%/ 0.28%	0.0%	684	(28)	188	—
OSA 2021-04 P	13.60	13.74	39.10 %	10	0.03%	0.0%	1,816	163	131	
OSA 2021-06 O	12.20	12.99	39.2% / 37.9% / 38.1%	5.5 6 6.5	0.35% 0.30% 0.26%	0.0%	246	107	79	—
OSA 2021-06 P	12.20	12.99	39.10 %	10	0.13%	0.0%	212	24	16	
OSA 2022-001 P	6.06	6.17	39.80 %	10	1.29%	0.0%	1	1	—	—
OSA 2022-06 O	3.68	4.16	42.06% 41.21% 40.65%	5.5 / 6/6.5	1.83% / 1.87% / 1.90%	0.0%	580	178	—	—
OSA 2022-06 P	3.68	4.16	40.08%	10	2.28%	0.0%	80	4	—	—
Total OSA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	549	760	509

AGA	Share price *(in euros)*	Exercise price *(in euros)*	Volatility	Maturity *(in years)*	Risk-free rate	Yield	Value of initial plan *(in thousands of euros)*	Expense for the year ended 2022 *(in thousands of euros)*	Expense for the year ended 2021 *(in thousands of euros)*	Expense for the year ended 2020 *(in thousands of euros)*
AGA 2018-1	12.87	0.00	n.a.	n.a.	0.00%	0.00%	4,951	—	16	268
AGA 2018-2	12.87	0.00	n.a.	n.a.	0.00%	0.00%	75	—	—	21
AGA 2019-1	10.90	0.00	n.a.	n.a.	0.19% / 0.141%	0.00%	4,776	—	422	1,884
AGA 2020	5.90	0.00	n.a.	n.a.	-0.74% -0.69%	0.00 %	287	28	144	116
AGA 2021	13.60	0.00	n.a.	n.a.	0.63% 0.59%	0.00%	4,869	2,283	1,784	—
AGA 2022	3.68	0.00	n.a.	n.a.	0.95% 1.46%	0.00 %	1,092	286	—	—
Total AGA	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**2,597**	**2,366**	**2,289**

(in thousands of euros)	BSPCE	BSA	OSA	AGA	Total
Expense for the year ended December 31, 2022	28	—	549	2,597	**3,174**

(in thousands of euros)	BSPCE	BSA	OSA	AGA	Total
Expense for the year ended December 31, 2021	32	44	760	2,366	**3,202**

(in thousands of euros)	BSPCE	BSA	OSA	AGA	Total
Expense for the year ended December 31, 2020	107	19	509	2,289	**2,924**

Note 18. Net financial income (loss)

	For the years ended December 31,		
(in thousands of euros)	2022	2021	2020
Income from cash and cash equivalents	256	—	—
Foreign exchange gains	3,277	6,347	104
Other financial income	—	13	97
Total financial income	**3,533**	**6,360**	**201**
Interest cost	(5,599)	(383)	4,676
EIB debt initial valuation impact	(6,855)	—	—
Lease debt interests	(238)	(288)	(333)
Foreign exchange losses	(1,171)	(109)	(1,697)
Total financial expenses	**(13,863)**	**(780)**	**2,646**
Net financial income (loss)	**(10,329)**	**5,580**	**2,847**

Interest cost

For the year ended December 31, 2022, interest cost amounts to €5.4 million, mainly due to interest costs on the EIB loan (see Note 12.1 Conditional advances, bank loan and loan granted by public authorities) which consists of fixed and variable rate interests of €1.6 million and €3.7 million respectively.

For the year ended December 31, 2021, interest cost was a net amount of €383 thousands, mainly due to the EIB loan interest and discounting impact (see Note 12.1 Conditional advance, bank loan and loans from government and public authorities) which was a net income of €4.2 million in 2021 as a result of the EIB royalties sales reforecast catch up effect and the accretion of the debt cost, offset by €1.8 million impact of EIB fixed interest cost.

For the year ended December 31, 2020, interest cost was a positive net amount of €4.7 million, substantially due to the EIB loan interests and discounting impact (see Note 12.1 Conditional advance, bank loan and loans from government and public authorities) which was a net income of €4.8 million in 2020 as a result of the EIB royalties sales reforecast catch up effect and the accretion of the debt cost, offset by €1.7 million impact of EIB fixed interest cost.

IFRS 9 debt valuation impact

The financial loss of €6.9 million relates to the difference between the carrying amount of the financial liability extinguished (€27.5 million) and the fair value of the new financial liability (€34.4 million) in connection with execution of the Amendment Agreement with EIB. (See Note 12)

Foreign exchange gains and losses

In 2022, the Company had net foreign exchange gains of €2.1 million compared to €6.1 million as of December 31, 2021. Exchange gains relate to HSBC bank account denominated in U.S. dollars.

In 2020, the Company had net foreign exchange losses of €1.6 million associated with $113.3 million from the gross proceeds of the global offering in a US dollar bank account.

Note 19. Income tax

Accounting policy

The Company and its subsidiaries are subject to income tax in their respective jurisdictions.

Deferred taxes are recognized on a full provision basis using the liability method for all temporary differences between the tax basis and carrying value of assets and liabilities in the financial statements.

The main source of deferred taxes relate to unused tax loss carryforwards. Deferred taxes are measured at the tax rates that are expected to apply to the period when the asset is expected to be realized or the liability is expected to be settled, based on tax rates and tax laws enacted or substantively enacted by the end of the reporting period. Deferred tax assets, which mainly arise as a result of tax loss carryforwards, are only recognized to the extent that it is probable that sufficient taxable income will be available in the future against which to offset the tax loss carryforwards or the temporary differences. Management uses its best judgment to determine such probability. Given the Company's current stage of development and its short-term earnings outlook, the Company is unable to make sufficiently reliable forecasts of future earnings and accordingly, deferred tax assets have not been recognized and offset only to the extent of deferred tax liabilities in the same taxable entities.

Detail of income tax

As of December 31, 2022, in accordance with the applicable legislation, the Company has €331 million of tax losses in France with an indefinite carryforward period, in comparison with €284 million and €235 million of tax losses with an indefinite carryforward period in France as of December 31, 2021 and 2020, respectively.

The cumulative tax loss carryforwards for the U.S. entities totaled $3.1 million as of December 31, 2022, $3.7 million as of December 31, 2021 and $4.3 million as of December 31, 2020. The tax loss carryforwards that were generated before January 1, 2018 have an indefinite carryforward and may be applied to 100% of future taxable income; those generated after that date have an indefinite carryforward as well but may be applied to 80% of future taxable income. The tax loss carryforwards in the U.S. comply with the federal and each state's Net Operating Loss ("NOL") rules updated by the Tax Cuts and Jobs Act ("TCJA") of 2017.

The following table reconciles the Company's theoretical tax expense to its effective tax expense:

	For the year ended December 31,		
(in thousands of euros)	**2022**	**2021**	**2020**
Net loss	(57,041)	(47,003)	(33,590)
Effective tax expense	10	5	9
Recurring loss before tax	**(57,030)**	**(46,999)**	**(33,581)**
Theoretical tax rate (statutory rate in France)	25.00 %	26.50 %	28.00 %
Theoretical tax (benefit) expense	**(14,258)**	**(12,455)**	**(9,403)**
Share-based payment	794	848	819
Other permanent differences	45	117	(6)
Other non-taxable items	(1,023)	(660)	(540)
Unrecognized deferred tax on timing differences	14,452	12,154	9,138
Effective tax expense	**10**	**5**	**9**
Effective tax rate	**0.00 %**	**0.00 %**	**0.00 %**

The cumulative net unrecognized deferred tax assets amounted to €88.3 million in 2022, including €86.2 million linked to accumulated net operating loss carryforwards at the end of 2022, in comparison with €74.7 million in 2021, including €74.2 million related to net operating loss carryforwards at the end of 2021 and €60.2 million in 2020, including €59.6 million of 2020 net operating loss carryforwards.

The deferred tax rate of the Company is 25.8% in 2022 and in 2021, and 27.4% in 2020, based on enacted tax rate reductions in future years.

Note 20. Segment reporting

In accordance with IFRS 8 – *Operating Segments*, reporting by operating segment is derived from the internal organization of the Company's activities; it reflects management's viewpoint and is established based on internal reporting used by the chief operating decision maker (the Company's Chief Executive Officer and Chairmen of the Executive Board and of the Supervisory Board) to allocate resources and to assess performance. The Company operates in a single operating segment: research and development in product candidates that harness principles of physics to transform cancer treatment. The assets, liabilities and operating loss realized are primarily located in France.

Note 21. Loss per share

Accounting policy

Loss per share is calculated by dividing the net loss due to shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

The diluted loss per share is calculated by dividing the results by the weighted average number of common shares in circulation, increased by all dilutive potential common shares. The dilutive potential common shares include, in particular, the share subscription warrants, stock options, free shares, founder subscription warrants and equity line warrants as detailed in Note 10 and 17.

Dilution is defined as a reduction of earnings per share or an increase of loss per share. When the exercise of outstanding share options and warrants decreases loss per share, they are considered to be anti-dilutive and excluded from the calculation of loss per share.

	For the year ended December 31,		
	2022	2021	2020
Net loss for the period (in thousands of euros)	(57,041)	(47,063)	(33,590)
Weighted average number of shares	34,851,868	34,733,418	24,385,827
Basic loss per share (in euros)	**(1.64)**	**(1.35)**	**(1.38)**
Diluted loss per share (in euros)	**(1.64)**	**(1.35)**	**(1.38)**

Instruments providing deferred access to capital are considered to be anti-dilutive because they result in a decrease in the loss per share. Therefore, diluted loss per share is identical to basic loss per share as all equity instruments issued but not granted, representing as of December 31, 2022, 8,713,246 potential additional ordinary shares, have been considered antidilutive (including 5,200,000 equity line related warrants, please refer to Note 10 for more details).

Note 22. Contingent liabilities

No contingent liability identified as of December 31, 2022.

Note 23. Commitments

23.1 Obligations under the loan agreement with the EIB

In the event the EIB loan is repaid early, or in the event of a change of control after repayment of the loan, the amount of royalties due will be equal to the higher of the net present value of the royalties as determined by an independent expert, the amount as determined by the EIB, required in order for the Bank to realize an internal rate of return on the loan of 20% and an amount equal to €35.0 million.

As part of the Amendment Agreement, the Company is required to maintain a minimum cash and cash equivalent balance equal to the outstanding principal owed to EIB which is €25.3 million as of December 31, 2022. As of December 31, 2022 no covenant is in breach.

In certain circumstances, including any material adverse change, a change of control of the Company or if Dr. Laurent Levy, Chairman of the Executive Board, ceases to hold office, the Company may be required to pay a cancellation fee. If Dr. Laurent Levy ceases to hold a certain number of shares or ceases to be an officer, the EIB may require early repayment of the loan.

23.2 Obligations under the terms of the rental agreements part of the IFRS 16 exemptions

The obligations of the Company related to the leases falling under the practical expedients (leases related to low-value assets and short-term leases) are as follow:

- One short term lease for an office by Nanobiotix Corp., of which the annual rent is $130 thousand; and
- Leases related to low-value assets for Nanobiotix S.A.'s printers, of which the annual rent is approximately €10 thousand.

23.3 Obligations related to the MD Anderson agreement

On December 21, 2018, the Company entered into a strategic collaboration agreement with MD Anderson Cancer Center, world prominent center of research, education, prevention and care for cancer patients, which was amended and restated in January 2020 and subsequently amended in June 2021. Pursuant to the MD Anderson Collaboration Agreement, the Company and MD Anderson established a large-scale, comprehensive NBTXR3 clinical collaboration to improve the efficacy of radiotherapy for certain types of cancer. The collaboration initially is expected to support multiple clinical trials conducted by MD Anderson, as sponsor, with NBTXR3 for use in treating several cancer types (including head and neck, pancreatic, and lung cancers). We expect to enroll approximately 312 patients in total across these clinical trials.

As part of the funding for this collaboration, Nanobiotix is committed to pay approximately $11 million for those clinical trials during the collaboration, and made an initial $1.0 million payment at the commencement of the collaboration and a second $1.0 million payment on February 3, 2020. Additional payments were made every six months following patient's enrollment in the trials, with the balance payable due upon enrollment of the final patient for all studies..

The Company may also be required to pay an additional one-time milestone payment upon (i) grant of the first regulatory approval by the Food and Drug Administration in the United States and (ii) the date on which a specified number of patients have been enrolled in the clinical trials.

This milestone payment will depend on the year when trigger event occurs, with a minimum amount of $2.2 million if occurred in 2020 up to $16.4 million if occurred in 2030.

As of December 31, 2022 and 2021, the Company recognized prepaid expenses for €1.5 million and €1.0 million respectively. Expenses are recorded during the course of the collaboration in the statement of consolidated operations, based on the patients enrolled during the relevant period.

23.4 Obligations related to the termination of the PharmaEngine agreement

In March 2021, the Company and PharmaEngine mutually agreed to terminate the license and collaboration agreement entered into in August 2012.

The Company paid $6.5 million (€5.4 million converted at the exchange rate on the payment date) and $1 million to PharmaEngine (€1.0 million converted at the exchange rate on the payment date) in accordance with the termination agreement during the years ended December 31, 2021 and December 31, 2022, respectively.

PharmaEngine is entitled to receive an additional payment of $5 million upon the second regulatory approval of NBTXR3 in any jurisdiction of the world for any indication. The Company has also agreed to pay royalties to PharmaEngine at low single-digit royalty rates with respect to sales of NBTXR3 in the Asia-Pacific region for a 10-year period beginning at the date of the first sales in the region.

23.5 Obligations related to the Equity Line Kepler Cheuvreux

The Chairman of the Executive Board, acting under the authority of the Executive Board of Directors held on May 18, 2022, and in accordance with the 21st resolution from the Annual Shareholders' Meeting of April 28, 2021, has decided to set up an equity line financing agreement (PACEO).

In accordance with the terms of said agreement executed on May 18, 2022, Kepler Cheuvreux, acting as the underwriter of this facility, committed to underwrite up to 5,200,000 shares, over a maximum timeframe of 24 months ending May 18, 2024.

The shares will be issued on the basis of the lowest volume-weighted average daily trading price for the two trading days preceding each issue, less a maximum discount of 5.0%. (See Note 10.4 Equity Line with Kepler Cheuvreux)

Note 24. Related parties

Key management personnel compensation

The compensation presented below, granted to the members of the Executive Board and Supervisory Board was recognized in expenses over the period shown:

	For the year ended December 31,		
(in thousands of euros)	**2022**	**2021**	**2020**
Salaries, wages and benefits	1,464	1,245	1,073
Share-based payments	2,501	2,018	1,723
Supervisory Board's fees	225	375	70
Total compensation to related parties	**4,190**	**3,638**	**2,866**

The methods used to measure share-based payments are presented in Note 17.

Note 25. Subsequent events

Accounting policy

The statements of consolidated financial position and statements of consolidated operations are adjusted for post-closing events prior to the filling date for issuance as long as they have a significant impact of the amounts presented at the closing date of the statement of financial position. If they do not, they are disclosed. Adjustments and disclosures are made up to the date on which the consolidated financial statements are approved and authorized for issuance by the Supervisory Board.

Detail of subsequent events

To the Company’s knowledge, there has been no significant event in the Company’s financial or commercial position since December 31, 2022.