



Small but heading for a big time

Half Year Results for the period ended 30 June 2013

Strong Clinical Progress Achieved

Paris, France, 30 August, 2013 – **NANOBIOTIX** (the “Company”) (**Euronext: NANO**), a clinical-stage nanomedicine company pioneering novel approaches for the local treatment of cancer, has published today its half year results for the six month period ended 30 June 2013 (HY1). Half year highlights include:

Financial highlights:

- Total revenue of €0.7m (HY1 2012: €0.5m) corresponding to the pro-rata share of the upfront payment from PharmaEngine as planned, amounting to €0.1m and corresponding to the research tax credits amounting €0.6m.
- R&D costs and general costs have risen significantly in the period compared to HY1 2012 as expected with the acceleration of the clinical development of lead product, NBTXR3 and the reinforcement of the Company’s structure and governance as stated during the IPO process.
- Underlying loss after tax for the period was €-4.3m (HY1 2012: €-2.5m) due to the increase in costs.
- Cash balance as of 30 June 2013 was €8.1m (HY1 2012: €1.0m) as per the forecast, since cash management remains a key company’s focus.

Main operational highlights:

- Clinical achievements
 - Clinical proof of concept of NBTXR3 in Phase I trial for soft tissue sarcoma; next group of patients to be treated in H2 2013.
 - Second indication for NBTXR3 in head and neck cancer selected; Phase I trial to commence in H2 2013.
 - The National Cancer’s Institute’s Nanotechnology Characterization Laboratory selected NBTX-IV for characterization studies on the basis of its potential to impact cancer treatment.
- Strengthening of the Supervisory Board with the appointment of Alain Herrera, a pioneer of industrial oncology.

Post period end main highlights:

- Nanobiotix received a €2.8m grant from Bpifrance among a €9.0m French nanomedicine development program. This will directly support the development of NBTXR3 in a third new indication, hepatocellular (liver) cancer.
- Strengthening of the Management Team with the appointment of Philippe Mauberna as CFO.

Laurent Levy, Chief Executive Officer at Nanobiotix, said:

“We have made excellent clinical progress in the period, beyond what we originally expected, and we would like to accelerate this further if possible. The second half of the year started well and we expect the initiation of the new clinical trial and the reporting of trial results in the period.”

We continue to control costs tightly and have focused on strengthening the Company's structure and governance during the period. We have also received a grant from the Bpifrance which not only acknowledges the potential impact of our technology in cancer treatment, but also is helpful in managing the cash flow.

Our strategy is to seek further international collaborations that will allow us to provide sustainable company growth, but we also want to drive progress forward ourselves, with the continued support of our shareholders. As part of our internal plans, we will continue to enhance the operational and commercial experience of the Supervisory Board and management team as we bring our NanoXray products through the clinic and onto the market."

CEO's Operational Report

Overview

Nanobiotix is focused on the development of NanoXray, its first-in-class proprietary technology, which is at the forefront of a new era of nanomedicine, where nanoparticles are not just a vehicle for targeted drug delivery, but have become the principal active element. Nanobiotix is developing three different products that can be administered either by direct injection into the tumor (NBTXR3), intravenous injection (NBTX-IV) or topical application to fill tumor cavities during surgery (NBTX-TOPO). Currently, NBTXR3 is regarded as a medical device in Europe and a drug in the United States (US).

During HY1 2013, we have made strong progress on delivering the commitments made at the time of the IPO in October 2012. Most notably, we achieved clinical proof of concept of our lead product, NBTXR3, in Phase I trials for soft tissue sarcoma (STS). With the authorization of the French National Security Agency for Medicines and Health Products (ANSM), we are planning to start a new clinical trial in head and neck cancer in the second half of the year. These achievements have helped to strengthen interest from the scientific and financial community in our technology.

Beyond these developments, Nanobiotix has been able to accelerate the development of its pipeline faster than expected. Notably with the €2.8 million funding received after the post period end from Bpifrance that will allow us to expand NBTXR3 development in liver cancer. We have also entered into collaboration with the National Cancer Institute (NCI) in the US to initiate preclinical development of NBTX-IV, the second product from the NanoXray pipeline.

The Company aims to establish its pipeline of NanoXray products, as cancer nanomedicine reference points in the oncology market and is working closely with national and scientific bodies to promote the nanomedicine sector as a whole.

Product development – NBTXR3

NBTXR3 is our most advanced product in the clinic and comprises nanoparticles designed for direct injection into the tumor. The potential indications for NBTXR3 are primary head and neck cancers, liver cancer, glioblastoma (a specific form of brain cancer), rectal and prostate cancer.

Soft tissue sarcoma (STS)

STS is a form of cancer that develops in soft, supporting tissues of the body. The cancer can occur in cells and tissues such as fat cells, muscles, joints and in any other tissues that support, surround, and protect organs of the body. Patients with high grade STS have poor prognoses, with many undergoing radiotherapy prior to surgery to remove the tumor.

Treatment with a combination of NBTXR3 nanoparticles and radiotherapy aims to destroy tumors locally and more effectively, in order to facilitate surgery and complete the removal of the malignant tissue.

NBTR3 achieved proof-of-concept in a Phase I trial of soft tissue sarcoma and represents the successful transition of the NanoXray platform from preclinical models into the clinic. We expect to see the next group of patients treated in H2 2013.

Head and neck cancer

Head and neck cancer represents a group of biologically similar cancers that appear in the mouth, the nose, the sinuses and at the top of the aerodigestive tract. If detected early, the survival rate for this type of cancer is high, and treatment is usually via surgery or radiation therapy. However, surgery can have a detrimental effect on the patient's function, in terms of swallowing, breathing or speech, and cosmetic appearance.

This will be the second indication for NBTR3 in radiation therapy with the aim to improve tumor destruction, and to maintain the patients' function and appearance after treatment. We have received authorization from the ANSM, to start a clinical trial at Institut Curie, Paris, France.

Hepatocellular (liver) cancer

Post period end, we announced the commencement of NBTR3 development in a third indication, liver cancer. Liver cancer is a major global health problem with an estimated 695,000 deaths per annum worldwide.

To help accelerate this programme, we have been awarded a €2.8 million grant from Bpifrance through its Strategic Industrial Innovation (ISI) program. Bpifrance (formerly OSEO) allocated c.€9 million in funding to the NICE (Nano Innovation for CancEr) consortium, consisting of Nanobiotix and four other public and private partners. Through ETPN (European Technology Platform of Nanomedicine), Nanobiotix is driving nanomedicine in Europe and is now involved in this first nanomedicine consortium in France with the launch of the NICE project.

PharmaEngine

Since August 2012, Nanobiotix has a strategic partnership in place with PharmaEngine for the development of NBTR3 in the Asia region. PharmaEngine is a specialty pharma company focused on the development of in-licensed oncology drugs and has exclusive rights to develop and commercialize NBTR3 in the Asian-Pacific region. Nanobiotix received an upfront payment of US\$1 million (€811k) and is eligible to further payments upon agreed milestones.

The partnership is progressing with the preparation of clinical studies in potential key indications such as head and neck, oesophageal, liver and rectal cancer.

Lead candidate selection – NBTR-IV

NBTR-IV is the second product generated from Nanobiotix's proprietary NanoXray platform. In June, Nanobiotix selected the lead candidate (see NCI-NCL section below). The product is designed to be administered intravenously to target deep-seated tumors and lymph nodes which may have been invaded locally by cancer cells. The aim is to enhance radiotherapy energy to destroy cancer cells and to reduce the subsequent escape of malignant cells in neighbouring tissue cells or lymph nodes. Target indications include lung carcinoma, pancreatic cancer or brain metastases.

Collaboration with the National Cancer Institute (NCI) with NBTR-IV

The NCI-NCL has selected NBTR-IV for preclinical characterization to support Nanobiotix's filing of an Investigational New Drug (IND) with the FDA. In parallel, Nanobiotix will conduct additional pre-clinical testing to provide a complete dossier for submission.

This collaboration with the NCL, planned to commence in H2 2013, will accelerate the preclinical development of NBTR-IV. The results of the characterization are not only important for the future IND submission, but also to raise Nanobiotix's profile in the US market.

Product development – NBTX-TOPO

The third product from the NanoXray platform is in the form of a topical application, developed to be used to fill tumor cavities during surgery. The product is intended for different types of breast cancer, brain tumors and retroperitoneal soft tissue sarcomas. It could also be used to delineate the tumor in CT scans and to prepare the tumor bed for postoperative radiotherapy. NBTX-TOPO is still at an early stage of development.

Supervisory Board and Management appointments

We are very pleased to welcome Dr. Alain Herrera to our Supervisory Board. He is an esteemed oncologist and haematologist, and is one of the French pioneers of industrial oncology. Alain brings important expertise to the Supervisory Board.

We have also strengthened the management team with the appointment of a new Chief Financial Officer (CFO), Philippe Mauberna, who has significant commercial and operational experience in the pharma and high tech industries. His international expertise will be especially important as Nanobiotix realises its strategic plans for its products.

Outlook and summary

In the relatively short time that we have been operating as a public Company, we have made significant strides in further developing our platform technology, NanoXray, while establishing new indications for our lead product, NXBTR3, and commencing the development of our next programme, NBTX-IV. In parallel with driving our own programmes, we are committed to promoting nanomedicine as a new generation cancer treatment for patients. We are doing this through our membership with the European Technology Platform for Nanomedicine (EPTN) and through our collaborations with international organisations, such as the NCI-NCL. We aim to continue to drive forward our clinical development plan and expect to report on next intermediate trial results in the second half of the year. We also expect the profile of nanomedicine to continue to grow, which should benefit both patients and in turn, Nanobiotix.

Laurent Levy

CEO

Financial Review (IFRS)

The detailed financial statement of revenues and costs is laid out below:

€ (0'000)	6 months period closed	
	June 30 2013	June 30 2012
Operating revenue	95	-
Other revenue	572	466
<i>Subsidies</i>	58	80
<i>Research Tax Credit</i>	513	386
Total revenue	666	466
Cost of sales	-	-
R&D costs	-2 739	-2 271
General costs	-1 809	-578
Costs associated with payments in shares	-408	-126
Core operating loss	-4 289	-2 509
Income from cash	24	-
Gross cost of debt	-13	-13
Net cost of debt	11	-13
Other financial income	-	-
Other financial expenses	-1	-
Core pre-tax loss	-4 279	-2 522
Tax	-	-
Net loss	-4 279	-2 522
Profit and loss recognized directly in shareholders' equity	-	-
Global results	-4 279	-2 522
Diluted earning per share	0.39	0.32

Financial Review

As in the previous quarter, the 2013 half-year sales recorded by Nanobiotix corresponds to the pro-rata share of the upfront payment received by the Company in August 2012, within the framework of the licensing contract signed with the Taiwanese company, PharmaEngine for the development and marketing of NBTXR3 in the Asia-Pacific region.

This upfront payment amounts to €811k generating a revenue of €92k for the first semester of 2013. The invoicing of services totalled €3k for the period. In total, revenue for the first half of 2013 is €95k which is fully in line with Company expectations.

Total revenue also includes subsidies and research tax credits. The amount of research tax credits has risen due to the increased spending in R&D reflecting our activity in clinical studies amounting €572k.

Operational costs are amounting €5.0m compared to €3.0m as of June, 30th 2012.

R&D costs have risen as expected with the strengthening of clinical studies for our lead product NBTXR3 in the STS indication and the preparation of new indications such as head and neck. Some recruitment has been done to enhance the operational and scientific skills within the Company.

General costs have increased due some expected expenses following Company's new listed status and due to the reinforcement of the Company's governance structure.

The core operating loss was €4.3m compared to €2.5m in H1 2012. The total net loss amounted to €4.3m (HY1 2012: €2.5m).

The cash balance has been carefully managed during the period and as at 30 June 2013, was €8.1m (HY1 2012: €1.0m) as per the forecast stated during the IPO, in order to support company's development plan.

-Ends-

Laurent Levy, CEO of Nanobiotix, will host a conference call for analysts to provide an overview on Nanobiotix and the Half Year results, followed by a Q&A session, in the morning on Monday, 2 September 2013.

If you would like further information, please contact College Hill: +44 (0) 207 457 2020.

Next financial press release: revenue for the 3rd quarter of 2013 on November 15, 2013

About NANOBIOTIX

Nanobiotix is a clinical-stage nanomedicine company pioneering novel approaches for the local treatment of cancer. The Company's first-in-class, proprietary technology, NanoXray, enhances radiotherapy energy to provide a new, more efficient treatment for cancer patients. NanoXray products are compatible with current radiotherapy and brachytherapy treatments and are meant to treat a wide variety of cancers via multiple routes of administration. Nanobiotix's lead product NBTXR3, based on NanoXray, is currently under clinical development for soft tissue sarcoma. The Company has partnered with PharmaEngine for clinical development and commercialization of NBTXR3 in Asia. The Company is based in Paris, France.

Nanobiotix is listed on the NYSE Euronext regulated market in Paris (ISIN: FR0011341205, Euronext ticker: NANO, Bloomberg: NANO: FP).

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