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Onxeo Raises €12.5 Million through Capital Increase with US and European Investors

Paris (France), Copenhagen (Denmark), September 30, 2016 – Onxeo S.A. (Euronext Paris, Nasdaq Copenhagen: ONXEO, “Onxeo” or “the Company”), a biopharmaceutical company specializing in the development of innovative drugs for the treatment of orphan diseases, in particular in oncology, today announced the successful completion of a capital increase of 5,434,783 new ordinary shares for gross proceeds of €12.5 million. Guggenheim Securities, LLC and Oddo & Cie acted as Joint Bookrunners.

Prominent new US and European institutional investors specialized in healthcare and biotechnology have participated in the placement, significantly reinforcing and diversifying the Company’s shareholding structure.

Net proceeds will reinforce the cash position of the Company which will amount to €34.9 million at closing.

The Company intends to use the net proceeds from this capital increase to pursue its R&D programs in the field of innovative therapeutics for rare cancers. More specifically, the Company plans to finance:

- The completion of Phase III ReLive trial for Livatag® as well as pre-clinical studies in combination with this product,
- The first stages of development of AsiDNA™, notably the manufacturing process and evaluation of its efficacy using a systemic delivery route,
- The future developments of Beleodaq® including first line PTCL indication, and
- Other working capital and general corporate purposes.

Key upcoming milestones of programs currently funded include:

- Livatag®:
 - Preclinical combination plan
 - Next DSMB for the Phase III trial: Q4 2016
 - Preliminary results of the Phase III trial: expected mid-2017
- Beleodaq®:
 - Preclinical combination study results: end of 2016 and onwards
 - 1st line PTCL Phase III initiation: end of 2016
- AsiDNA™:
 - Phase I initiation (monotherapy systemic): expected in 2017

“This placement broadens our European and US shareholder base and includes leading healthcare investors from both regions. We believe the success of this financing reflects the progress we have made advancing the Company and our clinical programs,” said Judith Greciet, CEO of Onxeo. *“The proceeds from this financing will enable the Company notably to finalize its development of Livatag®, continue*

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development of Beleodaq® as well as initiate clinical studies of AsiDNA™, our first-in-class signal interfering DNA repair product.”

Key characteristics of the offering

The capital increase, authorized by Judith Greciet, CEO of the Company, on September 30, 2016, acting on the basis of a subdelegation of authority given by the Board of Directors of the Company on September 20, 2016, was reserved for subscription to a category of investors defined by the 17th resolution of the Shareholders' General Meeting held on April 6, 2016, i.e. *sociétés et fonds d'investissement investissant à titre habituel dans des sociétés de croissance dites « small caps » (c'est-à-dire dont la capitalisation lorsqu'elles sont cotées n'excède pas 1 000 000 000 euros) (en ce compris, sans limitation, tout FCPI, FCPR ou FIP) dans le secteur de la santé ou des biotechnologies participant à l'augmentation de capital pour un montant unitaire d'investissement supérieur à 100 000 euros (prime d'émission incluse), dans la limite d'un maximum de 25 souscripteurs* (i.e. companies and investment funds that commonly invest in “small caps” (i.e. if listed, with a maximum market capitalization of €1,000,000,000) (including, without limitation, any mutual fund for investment, venture capital fund, or local investment fund) in the health or biotechnology sector participating in the share capital increase for a unit investment amount of over €100,000 (including issue premium), with a maximum of 25 investors).

The Company issued 5,434,783 new ordinary shares, each with a par value of EUR 0.25, representing 13% of the share capital of the Company. Following settlement and delivery of the offering, which is expected to occur on October 5, 2016, subject to customary conditions, the total issued share capital of the Company will consist of 46,905,643 shares.

The new ordinary shares were subscribed at a price of €2.30 per share, corresponding to a discount level of 25% to the 3 trading day volume weighted average price preceding pricing, in accordance with the 17th resolution referred to above.

On an illustrative basis, a shareholder holding 1% of Onxeo's capital before the offering will now hold a stake of 0.9%.

The new ordinary shares bear current dividend eligibility and will be admitted to trading on the regulated market of Euronext Paris and Nasdaq Copenhagen under the ISIN code FR0010095596 on October 5, 2016.

Financière de la Montagne, the largest shareholder of the Company, has subscribed 741,847 shares representing €1.7m, i.e. 13.65% of the placement, equal to its stake in the current share capital of the Company, reinforcing its confidence and support in the Company.

Onxeo has agreed to a lock-up on the shares of the Company for a period of 90 calendar days starting on the date hereof, subject to certain customary exceptions. All persons acting on behalf of the Company (i.e. executives and/or directors) have also signed lock-up agreements with regard to the Company's shares that they hold, for the same period.

A listing prospectus comprising the 2015 Reference Document (*Document de Référence*) of the Company registered with the French Autorité des Marchés Financiers ("AMF") on April 29, 2016 under number D.16-0452, the half-year financial report 2016 published by the Company on July 28, 2016, and a Securities Note (*Note d'Opération*), including a summary of the prospectus, will be submitted to the visa application with the AMF. The attention of the public is drawn to the risk factors presented in section 5.5.1.4.1 of the 2015 Reference Document and in section 2 of the Securities Note.

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This announcement does not constitute a prospectus within the meaning of the Prospectus Directive.

About Onxeo

Onxeo is a biopharmaceutical company specializing in the development of innovative drugs for the treatment of orphan diseases, in particular in oncology, driven by high therapeutic demand in one of the fastest growing segments of the pharmaceutical industry. Onxeo's objective is to become a major international player in the field of rare cancers. Its growth strategy is founded on the development of innovative, effective, and safe drugs based on breakthrough technologies that can make a real difference in the treatment of orphan oncology diseases and considerably improve the quality of life of patients affected by rare and aggressive cancers. Onxeo's comprehensive portfolio features a broad orphan oncology pipeline, with four independent programs in various stages of clinical development, including Onxeo's first approved orphan oncology drug, Beleodaq®. The Company is headquartered in Paris, France and has approximately 50 employees. Onxeo is listed on Euronext in Paris, France (Ticker: ONXEO, ISIN Code: FR0010095596) and Nasdaq Copenhagen, Denmark (Ticker: ONXEO).

Onxeo's orphan oncology products are:

- **Livatag®** (Doxorubicin Transdrug™): Currently being evaluated in a Phase III trial (ReLive) in patients with hepatocellular carcinoma (primary liver cancer); and in combination with other cancer agents in first-line HCC
- **Beleodaq®** (belinostat): FDA-approved in the US in 2014 under the agency's accelerated approval program as a second-line treatment for patients with peripheral T-cell lymphoma (PTCL) and currently marketed by Onxeo's partner in the US, Spectrum Pharmaceuticals; belinostat in combination with other cancer agents is currently in development in first-line treatment for patients with PTCL (BelCHOP) and in other solid tumors
- **AsiDNA™**: The first-in-class siDNA (signal-interfering DNA) which has successfully undergone a proof-of-concept Phase I trial in metastatic melanoma
- **Validive®** (Clonidine Lauriad®): Positive final results from a Phase II trial in head and neck cancer patients with severe oral mucositis

In addition, Onxeo has successfully developed and registered two non-cancer products which are currently being commercialized in the U.S. and Europe.

Learn more by visiting www.onxeo.com.

To receive our press releases and newsletters, please register on: <http://www.onxeo.com/en/newsletter/>

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The distribution of this press release may be subject to legal or regulatory restrictions in certain jurisdictions. Any person who comes into possession of this press release must inform him or herself of and comply with any such restrictions.

In France, the offer and sale of Onxeo SA shares described above will take place solely through a placement for the benefit of a category of persons meeting specific characteristics pursuant to Article L. 225-138 of the French Code monétaire et financier and applicable regulations. The offer and sale do not constitute a public offering in France, as defined in Article L. 411-1 of the French Code monétaire et financier.

With respect to Member States of the European Economic Area that have transposed European Directive 2003/71/EC of the European Parliament and European Council (as amended in particular by Directive 2010/73/EU to the extent that the said Directive has been transposed into each Member State of the European Economic Area) (the "**Prospectus Directive**"), no action has been taken or will be taken to permit a public offering of the securities referred to in this press release. Therefore, such securities may not be and shall not be offered in any Member State other than in accordance with the exemptions of Article 3(2) of the Prospective Directive to the extent they have been transposed by the relevant Member State or, otherwise, in cases not requiring the publication of a prospectus under Article 3(2) of the Prospective Directive and/or the applicable regulations in such Member State.

This press release and the information it contains are being distributed to and are only intended for persons who are (i) outside the United Kingdom, (ii) outside the United States, (iii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), (iv) high net worth entities and other such persons falling within Article 49(2)(a) to (d) of the Order ("high net worth companies", "unincorporated associations", etc.) or (v) other

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This press release and the information it contains do not, and will not, constitute an offer to subscribe for or sell, nor the solicitation of an offer to subscribe for or buy, securities of Onxeo SA in the United States of America or any other jurisdiction where restrictions may apply. Securities may not be offered or sold in the United States of America absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), it being specified that the securities of Onxeo SA have not been and will not be registered within the U.S. Securities Act. Onxeo SA does not intend to register securities or conduct a public offering in the United States of America.

In accordance with Article 211-3 of the General Regulation of the AMF, it is recalled that:

- the offer does not require a prospectus to be submitted for approval to the AMF. However, a prospectus will be registered with the AMF in connection with the admission to trading of the shares to be issued in connection with the transaction.
- persons or entities referred to in Point 2°, Section II of Article L. 411-2 of the Monetary and Financial Code may take part in the offer solely for their own account, as provided in Articles D. 411-1, D. 411-2, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the Monetary and Financial Code.
- the financial instruments thus acquired cannot be distributed directly or indirectly to the public otherwise than in accordance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the Monetary and Financial Code.

Any decision to subscribe for or purchase the shares or other securities of Onxeo SA must be made solely based on information publicly available about Onxeo SA. Such information is not the responsibility of Guggenheim Securities, LLC and Oddo & Cie and has not been independently verified by Guggenheim Securities, LLC and Oddo & Cie.

Forward looking statements

This communication expressly or implicitly contains certain forward-looking statements concerning Onxeo and its business. Such statements involve certain known and unknown risks, uncertainties and other factors, which could cause the actual results, financial condition, performance or achievements of Onxeo to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Onxeo is providing this communication as of this date and does not undertake to update any forward-looking statements contained herein as a result of new information, future events or otherwise. For a discussion of risks and uncertainties which could cause actual results, financial condition, performance or achievements of Onxeo to differ from those contained in the forward-looking statements, please refer to the Risk Factors (“*Facteurs de Risque*”) section of the 2015 Reference Document filed with the AMF on April 29, 2016, which is available on the AMF website (www.amf-france.org) or on the company’s website (www.onxeo.com).

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