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Onxeo Launches Capital Increase

Paris (France), Copenhagen (Denmark), September 29, 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 launch of a capital increase of new ordinary shares without preferential subscription rights reserved for the category of investors described below.

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

The capital increase will be carried out without shareholders' preferential subscription rights. Pursuant to Article L. 225-138 of the French Commercial Code (Code de commerce), it will be reserved for a category of investors defined in the 17th resolution of the General Shareholders' Meeting dated 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). A maximum of 12,165,624 new shares will be issued, representing around 30% of the current share capital.

The issue price of new ordinary shares will have a maximum discount of 25% to the volume weighted average share price of the Company's shares listed on the regulated market of Euronext Paris during the 3 last trading days preceding the determination of the issue price.

Application will be made to list the new ordinary shares on the regulated market of Euronext Paris and Nasdaq Copenhagen. 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 section 2 of the Securities Note.

Simultaneously with the determination of the final terms and conditions of the capital increase, the Company will enter into a lock-up agreement ending 90 calendar days after the date of the pricing of the offering, 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.

Guggenheim Securities, LLC and Oddo & Cie are acting as Joint Bookrunners.

The final terms of the private placement will be announced as soon as practicable.

This announcement does not constitute a prospectus within the meaning of the Prospectus Directive or an offer to the public.

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.

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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 persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Market Act 2000) may otherwise lawfully be communicated or caused to be communicated (all such persons in (i), (ii), (iii), (iv) (v) together being referred to as "**Relevant Persons**"). Any invitation, offer or agreement to subscribe, purchase or otherwise acquire securities to which this press release relates will only be engaged with Relevant Persons. Any person who is not a Relevant Person should not act or rely on this press release or any of its contents.

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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.

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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).

Contact:

Judith Greciet, CEO
Nicolas Fellmann, CFO
investors@onxeo.com
+33 1 45 58 76 00

Caroline Carmagnol / Florence Portejoie – Alize RP (France)
onxeo@alizerp.com
+33 6 64 18 99 59 / +33 6 47 38 90 04

Kirsten Thomas / Lee Roth – The Ruth Group (U.S.)
kthomas@theruthgroup.com / lroth@theruthgroup.com
+1 508 280 6592 / +1 646 536 7012