BioAlliance PHARMA Innovation & Performance

SHAREHOLDER NEWSLETTER – APRIL 2014

MERGER AGREEMENT BETWEEN bIOALLIANCE PHARMA AND TOPOTARGET TO CREATE A LEADING ORPHAN ONCOLOGY COMPANY

Dear Madam, Dear Sir, Dear Shareholder,

I am very pleased to initiate this first Shareholder letter with the recent announcement of the intended merger between BioAlliance Pharma and the Danish company Topotarget.

This is an ambitious project to create a leading player in the development of orphan oncology drugs, an area representing a highly dynamic pharmaceutical segment. With this merger, we aim to combine the strengths of two companies who successfully developed a portfolio of late-stage products based on innovative approaches, addressing strongly unmet medical needs and whose teams have unique expertise and know-how. The three leading products from the combined company will achieve key steps of their development in the coming months, thus increasing the portfolio value and generating revenues through new or existing partnership agreements. Thanks to strengthened visibility and attractiveness towards international institutional investors, we are convinced that this merger will rapidly and strongly create value for all the shareholders.

The merger proposal will be subject to your approval at an extraordinary general meeting end of June. It is important to me to give you some key information on Topotarget, on the synergies and the expected advantages from this merger, and on the main technical modalities of the operation. Of course, we will get back to you with more detailed information at the end of May, at the time of final merger agreement execution and EGM notice publication.

This project will give a new dimension to our company and will make it a new strong European player in the domain of rare cancers, thanks to a unique and deep portfolio of complementary programs.

We are counting on your continued support to finalize this sound cross-border operation, 100% share-based that will be a major lever of our growth strategy.

Sincerely,

Judith Greciet

CEO of BioAlliance Pharma

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Expected benefits from the merger BioAlliance Pharma / Topotarget

For our shareholders, a greater capacity of value creation through:

- An enlarged orphan oncology portfolio with belinostat complementary to the current advanced programs of BioAlliance Pharma: Livatag® and Validive®.
- A drug expected to receive US registration beginning of August: Beleodaq® (belinostat).
- A strong US anchorage with an established US partner: Spectrum Pharmaceuticals, listed on the NASDAQ stock exchange (market capitalization: $450 million).
- A highly skilled scientific team who successfully developed and brought to registration stage one targeted therapy, which will strengthen our own team.
- Several opportunities of clinical development for belinostat in rare cancer indications.
- In the future, a greater capacity to commercialize directly the company's products on the European market.
- A reinforced attractiveness for strategic partnerships with major pharma players.
- Strengthened market attractiveness based on to a higher market cap, especially towards Nordic and American investors.
- An enlarged shareholder base, including specialized Nordic institutional shareholders.
- An enhanced international dimension.

Who is TOPOTARGET?

Topotarget is a Danish company headquartered in Copenhagen, dedicated to clinical development and registration of oncology products.

- Created in 2000
- Listed on NASDAQ OMX Copenhagen
- 12 employees, mainly in R&D, with a high level of expertise
- A lead drug candidate, Belinostat, a targeted therapy in rare cancers
- An ongoing registration in PTCL (Peripheral T-Cell lymphoma), a blood cancer subtype affecting nearly 12.000 new patients each year
- A robust financial basis through a partnership with Spectrum Pharmaceuticals: 10M$ + 1 million shares received from Spectrum upon FDA approval for filing in February 2014, $25 million expected upon approval in PTCL in August; as per the Spectrum agreement, potentially reaching up to $320 million + sales royalties

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Key technical elements and consequences of the merger [(1)]

A cross border merger:

Transaction exclusively based on share exchange: Topotarget's shareholders will receive 2 BioAlliance Pharma shares for each 27 Topotarget shares. After the merger, BioAlliance Pharma's shareholders will hold approximately 2/3 of the combined company.

BioAlliance Pharma will be the continuing company.

Governance:

- Judith Greciet, currently CEO of BioAlliance Pharma, will be appointed as the CEO of the combined company.
- Two members of Topotarget's Board of Directors are expected to join the Board of Directors of the combined company to reflect the merger spirit; Patrick Langlois will remain the Chairman of the Board of Directors.

Expected dates for extraordinary general meetings:

- Topotarget: June 27, 2014
- BioAlliance Pharma: June 30, 2014 (prior notice published around May 27, 2014)

Commitment from the main shareholders of both companies:

- For Topotarget : HealthCap and HBM Healthcare Investments (12.6% of the shares)
- For BioAlliance: Financière de la Montagne and Idinvest Partners (18.8% of the shares)

A reminder on BioAlliance's leading products in orphan oncology diseases:

- Livatag® (Doxorubicin Transdrug™) is in a Phase III international clinical trial for the treatment of hepatocellular carcinoma (primary liver cancer). The enrolment is expected to be finalized end of 2015 and preliminary data expected end of 2016. This product, developed in a disease with a very strong unmet medical need, represents a sales potential estimated to nearly €800 million.

- Validive® (Clonidine Lauriad®) is in Phase II international clinical trial for the prevention of radiotherapy- and chemotherapy- induced oral severe mucositis in patients treated for Head and Neck cancer. 183 patients are planned to be enrolled in this large study. The last patient is expected to be enrolled in the coming weeks for publication of the preliminary results 4th quarter 2014. Validive® has obtained the "orphan status" in Europe and a "fast track" designation from the FDA, a status granted to treatments for severe diseases with strong unmet needs, shortening the review periods by the FDA.

(1) *Much more detailed information will be provided at the end of May 2014, especially with the Merger Prospectus (Document E) which will be made available to shareholders and to the public after the Clearance statement (enregistrement) from French regulator (AMF)*