SHAREHOLDERS' LETTER

November 2014

Dear Madame, Dear Sir, Dear Shareholder,

On November 17, 2014, **Onxeo launched a capital increase, with maintenance of preferential subscription rights**. This is an important financial operation and we wish to give you all clarity on it, especially as it happens shortly after the receipt of a major milestone ($25 million) and these concomitant events may have surprised some of you.

Therefore, it is important for us **to explain the rationale and objectives of this financing operation, and how it supports Onxeo's growth strategy**.

Our company has reached major achievements for its key programs during this year. Our drugs **Livatag® and Validive® have been granted a Fast track designation from the US Food & Drug Administration** (FDA); **Validive® has shown its clinical relevance through the positive phase II data** announced at the end of October; and **the phase III trial with Livatag® is ongoing**. This trial is monitored on the safety aspects by an independent safety experts committee who, for the 4th time last April, has confirmed **the good tolerance profile of the product**.

At the same time, we achieved **a strategic step during the summer of 2014 – the successful merger** between BioAlliance Pharma and Topotarget. Shortly after the merger execution, **Beleodaq®,** a histone deacetylase inhibitor (HDACi) forming the 3rd key program of Onxeo's portfolio, has **received its NDA Approval from the FDA** in second line treatment of resistant or relapsed Peripheral T-Cell Lymphoma (PTCL). The approval validates the clinical interest of the drug, **prone to be developed in other rare cancer indications**.

Being Onxeo since August 1st, 2014, we have the ambition to become a reference player in the field of orphan (or rare) cancers, by developing innovative therapeutic alternatives in order to "make the difference".

This ambition is sustained by **our 3 major products that represent solid assets**, all of them meeting **strong unsatisfied medical needs in severe pathologies and representing strong sales potentials**.

Based on our major achievements over the past months, we want to maintain the growth dynamic through a sustained and strong development of our programs.

The financing will allow us to **accelerate and optimize our programs and more specifically:**

- **Pursue the development of Beleodaq®** through phase I and phase III trials to obtain approval of NDA in the same indication (PTCL) but in 1st line treatment, thus enlarging the drug's market.
- **Support the phase III study with Livatag®** and the study's international expansion to optimize patient recruitment.
- Based on the recent positive phase II results, **prepare the phase III study to confirm the results with Validive® in severe oral mucositis**.

Our increased cash position will allow us to secure the steps achieved, maintain our competitive advantages and eventually strengthen our position in the international biotech field.

In order to enable our "historical" shareholders to participate in this operation, we have chosen **a rights issue open to the public with preferential subscription rights**. The subscription commitments from Capital Ventures International and Nyenburgh, as well as the renewed confidence from Financière de la Montagne demonstrate the support of these investors to the company's future and allow us to launch this transaction very favorably.

We hope that you as an Onxeo shareholder will share our ambition and conviction, and will support the future growth of the company by participating in this capital increase. Together, with the focus on Onxeo's common corporate objectives, we will succeed.

Judith Greciet, CEO

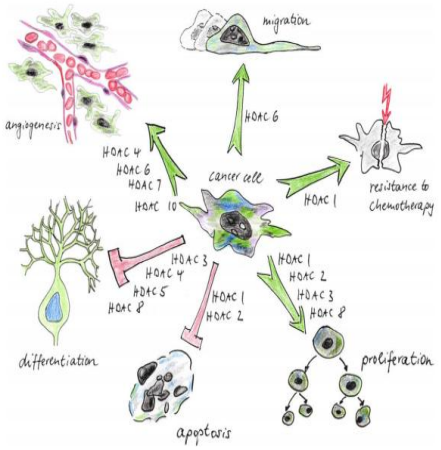
Practical: you will find all necessary information on the capital increase on our website: www.onxeo.com by clicking on:

OUR PRODUCTS

PRODUCT	PH1	PH2	PH3	REGISTRATION	LAUNCH	MILESTONES
Beleodaq® (PTCL 2nd L)						US registered July 2014
Combo BelCHOP (PTCL 1st Line)						
Livatag® (HCC 2nd Line)						Ph 3 Read-out end 2016
Validive® (Oral Mucositis)						Ph 2 preliminary positive data results

BELEODAQ®, a drug approved in the US

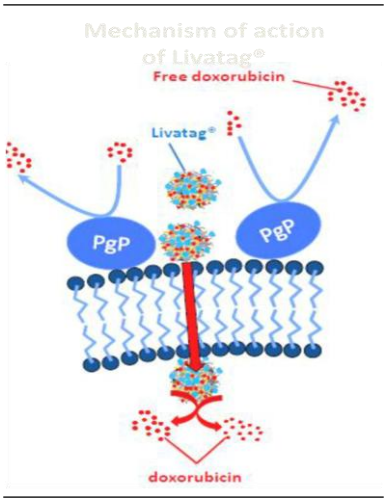
- Developed and approved for the treatment of resistant or relapsed Peripheral T-Cell Lymphoma (PTCL), a rare type of blood cancer.
- Inhibits an enzyme implicated in tumor cell growth.
- Licensed to Spectrum Pharmaceuticals in the US, our partner in charge of the co-development and promotion to the US physicians.
- First promising sales made during the 3rd quarter of 2014, thus first royalties on sales received.



- Initiation of a phase I trial in combination with the standard treatment (Beleodaq-CHOP combination in 1st line treatment) before initiation of the phase III towards the NDA in this enlarged indication.
- Sales potential: current PTCL marketed 2nd line treatment reaches up to $50m on the US market.
- Beyond PTCL, additional indications are evaluated in hematology/solid tumors, each of them representing at least €250 million sales potential WW.

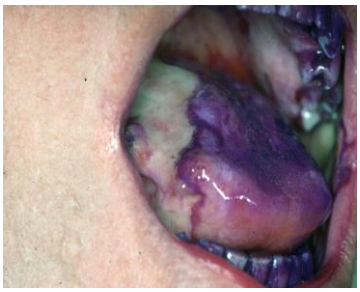
LIVATAG®, a nanoformulated chemotherapy to overcome tumor cell resistance

- Developed in primary liver cancer, a rare and particular severe cancer with only one commercialized treatment today.
- Doxorubicin nanoformulated and designed to bypass tumor cell resistance.
- Proprietary Transdrug™ platform.
- Phase III clinical trial in Europe and the US with nearly 35% randomized patients.
- Results expected at the end of 2016/beginning of 2017.
- Sales potential estimated to nearly €800 million.



VALIDIVE®, an innovative targeting therapy in a severe oral pathology

- Developed for the prevention of severe oral mucositis, an invalidating inflammation induced by radio/chemotherapy in patients with head and neck cancer.
- Mucoadhesive tablet (Lauriad®) delivering early and sustained concentration of clonidine directly in the mouth to prevent severe oral mucositis.
- Positive preliminary phase II results validated by international experts.
- Significant decrease (vs placebo) in the incidence of severe oral mucositis in patients treated with Validive®.



- As soon as 2015, preparation of the required elements to implement the planned phase III trial to confirm the phase II results as soon as possible.
- Sales potential estimated between €200 and €400 million.