THE ORPHAN ONCOLOGY INNOVATOR

PRESS RELEASE

Onxeo Provides Strategy Update and Reports 2017 Third Quarter Financial Information

- **Company completes strategic shift to innovative DNA-targeting programs and platON™ chemistry platform of decoy oligonucleotides**
- **Development of lead product AsiDNA™ in line with plans**

Paris (France), October 26, 2017 – 08:00 pm CEST– Onxeo S.A. (Euronext Paris, NASDAQ Copenhagen: ONXEO – ISIN FR0010095596), ("**Onxeo**" or the "**Company**"), a clinical-stage biotechnology company specializing in the development of innovative drugs in oncology, in particular to treat orphan or resistant cancers, today provided a strategy update and announced its consolidated revenues and cash position at September 30, 2017.

Judith Greciet, Chief Executive Officer of Onxeo, said: "*Onxeo has reinforced its strategic positioning on some of the most innovative and high-value areas in oncology, including tumor DNA repair inhibition and epigenetics. Based on this strategy, we have a robust and promising development pipeline, despite the discontinuation of the Livatag® liver cancer program. In parallel, we recently divested our two non-core assets in oral pathologies and out-licensed Validive®, a phase III-ready supportive care product. Our core product candidates, notably AsiDNA™, are on track to enter the clinic, with a filing expected by year-end. In addition, we recently introduced platON™, a proprietary platform of decoy oligonucleotides that we intend to leverage to generate in 2018 new oncology compounds with unique mechanisms of action and expand our DNA-targeting focused pipeline.*"

Recent corporate highlights (Q3 and post-close events)

- Announced positive in-vivo preclinical proof-of-concept results confirming the activity via systemic (intravenous, IV) administration of AsiDNA™, the company's first-in-class DNA break repair inhibitor (DBRi). The data confirmed the activity of AsiDNA™ administered intravenously, alone and in combination, as shown by the prevention of tumor growth in a murine model of triple negative breast cancer (TNBC). These data also showed a significant synergistic effect of AsiDNA™ when combined with carboplatin, a neoadjuvant chemotherapy used in the treatment of triple negative breast cancer.
- Divested two non-core products in oral pathologies, Sitavig® and Loramyc®, and received an upfront payment of €4 million. Onxeo is also eligible to receive potential earn-out payments based on the cumulative worldwide commercial performance of the products.
- Reported top-line results from the phase III ReLive trial of Livatag® (doxorubicine Transdrug™) in adult patients with unresectable hepatocellular carcinoma (HCC), intolerant to sorafenib or having progressed after a systemic therapy including sorafenib, when compared to best standard of care. The study did not meet its primary endpoint of improving survival over the comparative group. Onxeo has ceased internal development of Livatag®.

  - The discontinuation of the Livatag® program resulted in the implementation of a cost savings program that includes a workforce reduction of approximately 20% in France. Onxeo is complying with French law, notably with respect to its legal obligation to duly inform and consult its employee representatives on the workforce reduction plan.

- Granted a global exclusive license of Validive®, the Company's phase III-ready product developed for the treatment of severe oral mucositis induced by radiotherapy or chemotherapy in patients suffering from head and neck cancer, to Monopar Therapeutics. Monopar will lead and fund all remaining development and regulatory activities, including the registration studies. Onxeo received an immediate $1.0 million license fee.
- Announced compelling results from extensive in-vitro preclinical studies of combinations of AsiDNA™ with histone deacetylase inhibitors (HDACi), including belinostat, on various tumor cell lines. Notably, the combination of AsiDNA™ and HDACi showed a strong synergistic effect on tumor cells death.
- Introduced platON™, a proprietary chemistry platform of decoy oligonucleotides. PlatON™ is based on three components, a sequence of double strand oligonucleotides, a linker and a cellular uptake facilitator. Each of these three components is modifiable to generate various compounds expressing different properties and/or activities. AsiDNA™ is the first drug candidate generated from platON™. The Company intends to leverage platON™ to expand its pipeline with additional innovative DNA-targeting drug candidates and expects to initiate the preclinical evaluation of a new drug candidate in 2018.
- Announced a decision from the Commercial Court of Paris regarding Onxeo's lawsuit against SpePharm and SpeBio B.V., a 50%-owned subsidiary of Onxeo, regarding the termination of a partnership in 2009. The Court ordered Onxeo to pay the sum of €8.6 million, plus capitalized interest at the legal rate as of June 30, 2014, to SpeBio B.V., and to pay €315,000 in various damages and procedural indemnities to SpeBio B.V. and SpePharm, with provisional enforcement.
  - Onxeo has appealed this decision and summoned SpePharm and SpeBio B.V. before the First President of Paris Court of Appeal to suspend the provisional enforcement.

Q3 2017 financial information

The Company reported revenues of €5.7 million in Q3 2017, comprised of:

- €5.1 million in non-recurring revenue (compared with €2.2 million in Q2 2017), corresponding primarily to the sale of Sitavig® and Loramyc®, the licensing fee from the out-licensing of Validive® and the appropriate fraction of upfront payments from licensees, in accordance with IFRS.
- €0.6 million in recurring revenue resulting from the sale of products to Onxeo's commercial partners and royalties on sales. The decrease vs. Q2 2017 is due to the above mentioned divestiture of Sitavig® and Loramyc® on July 31, 2017.

At September 30, 2017, the Company had a consolidated cash position of €27.5 million, excluding the potential impact of the litigation against SpeBio B.V./SpePharm.

About Onxeo

Onxeo (Euronext Paris, NASDAQ Copenhagen: ONXEO) is a French biotechnology company developing innovative oncology drugs based on DNA-targeting and epigenetics, two of the most sought-after mechanisms of action in cancer treatment today. The Company is focused on bringing early-stage first-in-class or disruptive compounds (proprietary, acquired or in-licensed) from translational research to clinical proof-of-concept, a value-creating inflection point appealing to potential partners.

Onxeo's R&D pipeline includes **belinostat**, an HDAC inhibitor (epigenetics) currently being developed in oral form to be used in combination with other anti-cancer agents for liquid or solid tumors. Belinostat is already conditionally FDA-approved in the US as a 2nd line treatment for patients with peripheral T cell lymphoma and marketed in the US by Onxeo's partner, Spectrum Pharmaceuticals, under the name Beleodaq® (belinostat IV form).

Onxeo is also developing **AsiDNA™**, a first-in-class DNA break repair inhibitor based on a unique decoy mechanism. AsiDNA™ has already successfully completed a Phase I trial in metastatic melanoma via local administration, and is currently being developed for systemic (IV) administration in solid tumors.

AsiDNA™ is the first compound generated from **platON™**, the Company's proprietary chemistry platform of decoy oligonucleotides based on three components, a sequence of double strand oligonucleotides, a linker and a cellular uptake facilitator. PlatON™ will continue to generate new compounds that will broaden Onxeo's pipeline.

For further information, please visit www.onxeo.com.

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 section 5.5.1.4 "Risk Factors" ("Facteurs de Risque") of the 2016 reference document filed with the Autorité des marchés financiers on April 24, 2017 under number D.17-0423, which is available on the Autorité des marchés financiers website (www.amf-france.org) or on the Company's website (www.onxeo.com).

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