Onxeo announces closing of DNA Therapeutics acquisition

Onxeo gains access to AsiDNA compound, a first-in-class signal interfering DNA

Paris (France), Copenhagen (Denmark), March 25, 2016 – Onxeo S.A. (Euronext Paris, Nasdaq Copenhagen: ONXEO), an innovative company specializing in the development of orphan oncology therapeutics, today announced that it has completed the acquisition of DNA Therapeutics and its signal-interfering DNA (siDNA) repair technology and lead product candidate AsiDNA. AsiDNA accelerates cancer cell death by breaking the cycle of tumor DNA repair.

The acquisition of DNA Therapeutics continues to demonstrate Onxeo's commitment to developing novel orphan oncology drugs that position the Company at the forefront of scientific research for rare cancers with high, unmet medical needs, and have the potential to generate significant value for the Company and its stakeholders by opening other indications and markets.

Onxeo acquired DNA Therapeutics for an upfront payment of €1.7 million paid at closing through the issuance of 553,819 new Onxeo shares at a price per share of €3.01, corresponding to the weighted average market price of Onxeo on the Euronext Paris market over the thirty trading sessions preceding February 29, 2016. Additional payment will come in the form of milestones including €1 million in cash or in ONXEO shares, at Onxeo's sole discretion, upon successful initiation of a Phase II trial in a selected indication as well as royalty payments on future commercial sales, up to €25 million per indication developed and approved.

In conjunction with the transaction, and as previously announced, certain DNA Therapeutics' historical shareholders have agreed to invest an aggregate amount of €1 million in cash in Onxeo through a private placement reserved to a limited number of investors, showing their full support to Onxeo and AsiDNA. This capital increase will result in the issuance of 364,958 shares at a price of €2.74, corresponding to the weighted average market price of Onxeo on the Euronext Paris market over the five trading sessions preceding the closing date, reduced by a discount of 15%.

Following completion of these transactions, Onxeo's share capital will amount to €10,367,715, divided into 41,470,860 shares. The newly created Onxeo common shares issued as a result of the acquisition of DNA Therapeutics and the private placement will be admitted on compartment B of Euronext Paris and on Nasdaq Copenhagen on the same quotation line as existing shares.

About the signal-interfering DNA (siDNA) technology

The siDNA technology developed by DNA Therapeutics, and acquired by Onxeo, breaks the cycle of tumor DNA repair activities by interfering at the core of DNA damage and interfering with multiple repair pathways, while sparing healthy cells. The technology, called siDNA and formely known as Dbait, was invented by Dr. Marie Dutreix, Research Director at The French National Centre for Scientific Research (CNRS), and Jian-Sheng Sun, Professor at The French National Museum of Natural History (Museum National d'Histoire Naturelle) in Paris, and further developed in Dr. Dutreix's lab at Institut Curie and DNA

Therapeutics. DNA Therapeutics was formed as a spin-out of the Institut Curie and three other French academic institutions.

About AsiDNA

AsiDNA, the first-in-class siDNA molecule (formerly known as DT01), is a short double-stranded DNA that acts as a decoy, providing a false DNA break signal to attract DNA repair proteins which prevents the recruitment of repair enzymes to the site of actual DNA damage. Cancer cells have lost the ability to regulate cell division. Therefore they will continue dividing with damaged DNA, ultimately leading to cell death. Healthy cells, on the other hand, will halt cell division until the compound is no longer present and damaged DNA can be repaired. In a variety of preclinical animal models, AsiDNA demonstrated an increase in the efficacy of radiotherapy[1], radiofrequency ablation[2], and chemotherapy[3], and has not lead to toxicity with repeated cycles of treatment, making it a promising candidate for both monotherapy and combination therapy. A first-in-human Phase 1/2a trial, "DNA Repair Inhibitor & Irradiation on Melanoma" (DRIIM; NCT01469455), in patients with metastatic melanoma demonstrated the safety of local administration of the product. Additionally, no maximum-tolerated dose (MTD) was identified and the product showed excellent tumor response correlated with systemic exposure.

About Onxeo

Onxeo is a leading developer of orphan oncology drugs. The Company is focused on developing innovative therapeutics for rare cancers, one of the fastest growing markets in the healthcare industry with high, unmet medical needs. Onxeo's comprehensive portfolio features a broad orphan oncology pipeline, with three independent programs in advanced clinical development, including Onxeo's first approved orphan oncology drug, Beleodaq®. In addition, Onxeo has successfully developed and registered two non-cancer products which are currently being commercialized in the U.S. and Europe. Onxeo's vision is to become a global leader and pioneer in oncology, with a focus on orphan or rare cancers, by developing advanced, effective, and safe therapeutics designed to improve the lives of patients. 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 orphan oncology products at the advanced development stage 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 U.S. 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 U.S., 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/IIa 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;

Learn more by visiting www.onxeo.com.

References:
1. Quanz et al., 2009, Berthault et al., 2011, Coquery et al., 2012, Biau et al., 2014
2. Devun et al., 2014
3. Devun et al. 2011, Herath et al., 2016

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