LETTER TO OUR SHAREHOLDERS

onco design® BIOTECHNOLOGY

Vector of innovation.

JUNE 2018

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MESSAGE FROM THE CHAIRMAN

Philippe Genne, Chairman & CEO

> *Step by step we are building our future through innovation.*

Dear Shareholders,

We are delighted to be sending this newsletter to you as an Oncodesign shareholder to provide insights into the development decisions that will shape the Group's future.

In this edition, we turn the spotlight on our Drug Discovery activities in the fast-moving area of immuno-inflammation in which we are present with our RIPK2 program.

In January, we held an investor day at our new research facility in Paris-Saclay, one year after we acquired the labs from GSK. Our intention was exactly the same—to present our work, our accomplishments and where we stand today, without any empty promises, thanks to our step-by-step, detail-focused efforts to build a future through innovation.

Health is a matter that concerns us all, but you are not all health professionals or research scientists with a perfect grasp of all the scientific, regulatory and economic subtleties of the process of creating value from precision medicines. You have placed your trust in us, and so we owe it to you to put objective information at your fingertips.

We will send you this shareholders' letter several times a year to enrich your knowledge of the business and its economic environment. I hope you find this knowledge-sharing initiative useful, and that it encourages you to stay the course with us over the coming months and years.

We hope you enjoy reading it and thank you for your continuing support,

Sincerely yours,

Philippe Genne

2017: A YEAR OF MAJOR ACCOMPLISHMENTS

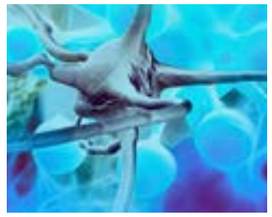
With the effective integration of the **François Hyafil Research Center**, the acquisition of **Bertin Pharma**'s service activities and the publication of the **first in-human results of a molecule** from Oncodesign's research pipeline, 2017 was a transformational year. Oncodesign can now step up the pace of its growth by building on its firmer foundations.

In collaboration with Cyclopharma and the Georges François Leclerc anti-cancer center, Oncodesign announced promising intermediate clinical results in the trial currently underway of the first radiotracer (mutated EGFR) from the Imakinib program.

Oncodesign's major research capability also paved the way in 2017 for promising breakthroughs in oncology as the ALK1 and MNK1/2 programs moved into the Lead Optimization phase.

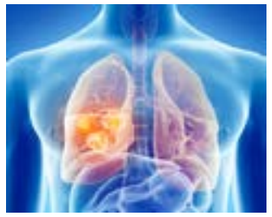
Lastly, the repurchase of rights to the program with Ipsen (LRRK2 program) in Parkinson's disease represents an opportunity for the Group and its teams to create value.

Integration of the F. Hyafil research center in Les Ulis



First tangible results from the ALK1 & MNK1/2 programs in oncology

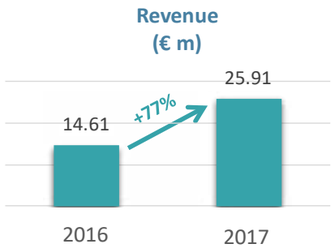
Acquisition of Bertin Pharma's services businesses



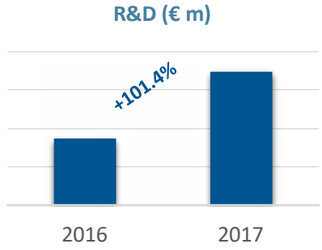
Initial positive results from the clinical trial of the EGFR radiotracer

FINANCIAL PERFORMANCE

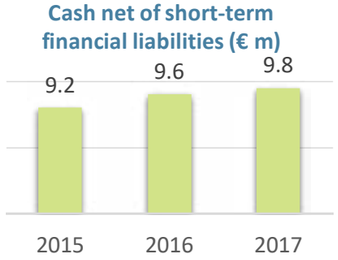
Revenue (€ m)



R&D (€ m)



Cash net of short-term financial liabilities (€ m)



Revenus

Steep increase of 77% in revenue to €25.91 million.

R&D

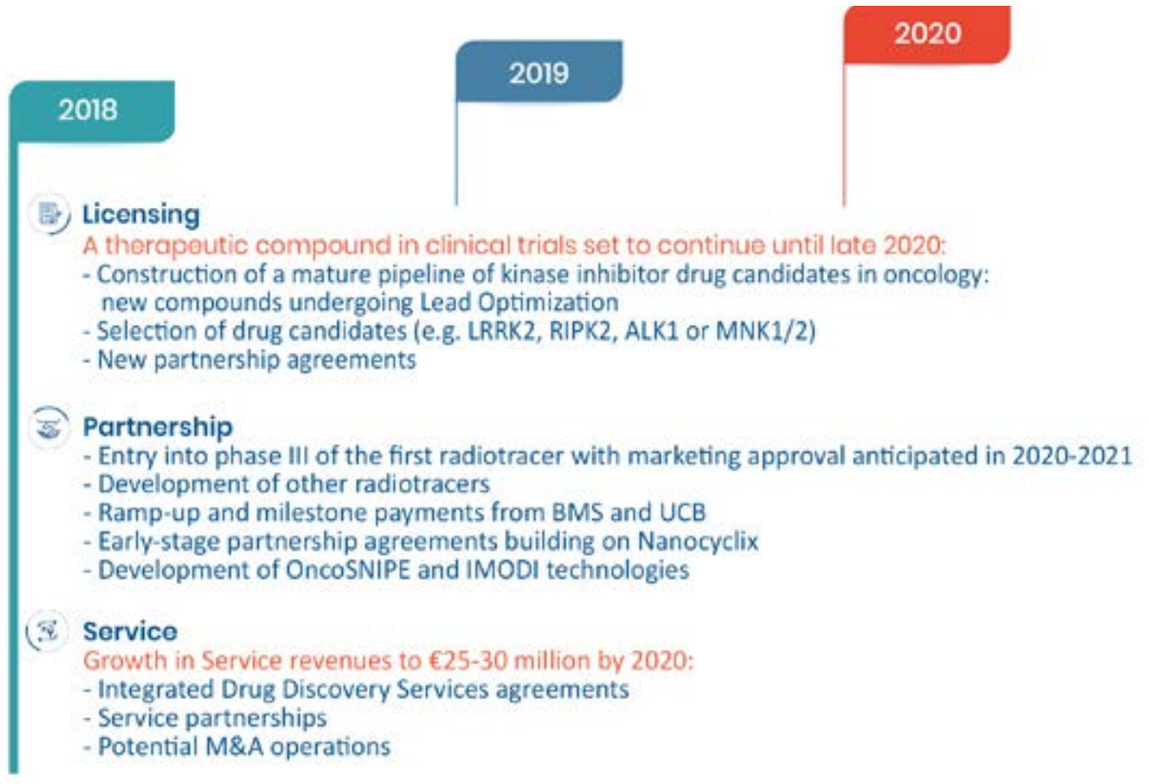
R&D spending doubled to €13.9 million with operating performance declining by just €1.4 million. 80% of the additional R&D spending was self-financed thanks to the growth in the Group's revenue.

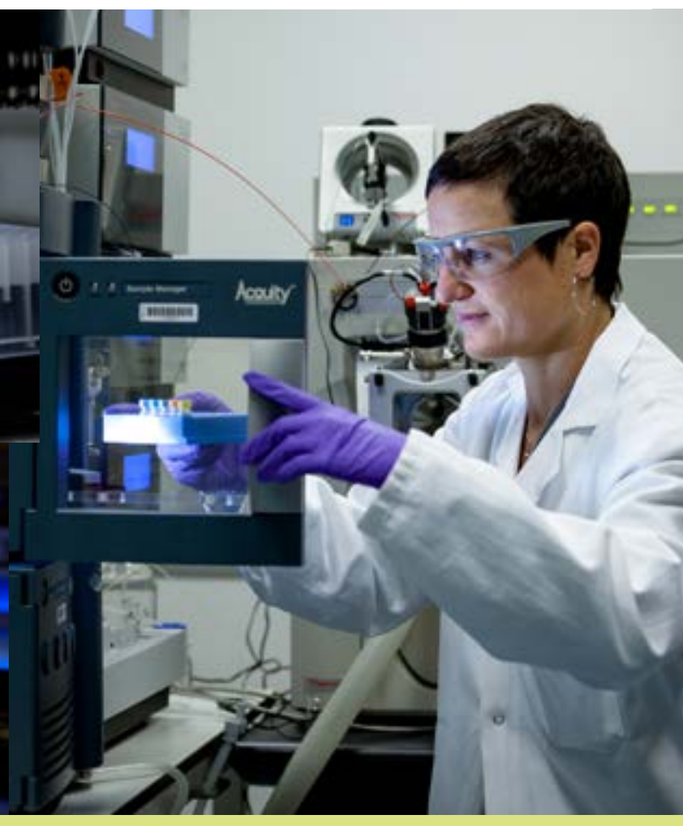
Net cash

Sound operational execution and rigorous management of acquisitions despite various accounting and tax effects.
Cash net of short-term financial liabilities of €9.8 million (excluding the GSK payment of €7.9 million received in January 2018).

Flash this QRCode to read our Press Release on our 2017 results

MOMENTUM SET TO BUILD OVER THE NEXT THREE YEARS





THE IMMUNO-INFLAMMATION MARKET

A steadily expanding market
Overview of the industry landscape in 2018 and future outlook

A MARKET DOMINATED BY MONOCLONAL ANTIBODIES

Figure 1: Top 20 immuno-inflammation sales (2017 projections in millions of dollars. Source: Global Data, 2018)

Immuno-inflammatory diseases affect between 5% and 7% of the western population. Despite their diverse symptoms and geographical incidence, what all these diseases have in common is that they deregulate the immune response. The many indications include rheumatoid arthritis, Crohn's disease, psoriasis, asthma, and multiple sclerosis, to name but a few. The first therapeutic options available generally featured a treatment with glucocorticoids. Most of these drugs now face competition from generics and they are ineffective over the long term. A second-generation of therapies was introduced in 1998 with the approval of anti-TNF monoclonal antibodies, such as J&J's Remicade and Amgen's Enbrel. These drugs achieved commercial success thanks to their still widespread use today and their high cost1 (Figure 1). They were followed by Abbvie's Humira, which gained marketing approval in 2002. Even so, use of these treatments with their accessibility issues (intravenous injection, high production cost) and significant side effects in certain cases has been confined to a subset of patient categories.

A third-generation of treatments has won market share since 2005. They are interleukin inhibitor antibodies (Stelara, Actemra, Consentyx, etc.) known for their safety, which generated 19% of sales in 2017.

3
of the top-selling treatments in 2016 were immuno-inflammation therapies (Humira, Enbrel, Remicade)

$56 billions
in immuno-inflammation sales in 2017

2017
Introduction of the first small kinase-inhibitor molecule in Europe as a therapy for rheumatoid arthritis

$9.1 billions
Sales forecasts for JAK kinase inhibitors in 2023, compared with $1.4 billion in 2017

JAK-1 KINASE INHIBITORS, THE FIRST KINASE INHIBITORS IN THE IMMUNO-INFLAMMATION MARKET

Despite doctors' reluctance to change a stable patient's treatment, analysts anticipate growing interest in small kinase inhibitor molecules. Since they are administered orally, and their side effects have improved significantly, this fourth-generation of treatments could even become a first-line treatment in certain indications, if its efficacy were confirmed in clinical trials[2].

1 - Global Immunology Market to 2022 - Large pipeline and competitive market to drive long-term market growth, GBI Research 2015
2 - Janus kinases

Another approach to small kinase inhibitors for immuno-inflammatory diseases has opened up a new line of attack over the past few years and raised the prospect of success for this type of approach: Pfizer has marketed Xeljanz (tofacitinib), a JAK1 (Janus Kinase 1) kinase inhibitor since 2012 in the United States as a treatment for rheumatoid arthritis. Its sales have grown rapidly to reach $1.35 billion in 2017. In the same year, the FDA approved Xeljanz as a treatment for ulcerative colitis and psoriatic arthritis. Also, in 2017, Pfizer finally gained marketing approval in the European market to treat patients with rheumatoid arthritis… five years after its launch in the US.

Thanks to the spectacular growth in its sales and its multiple indications, Xeljanz has played a key role in educating practitioners in how to use orally-administered small kinase inhibitors as immuno-inflammation therapies. Analysts forecast sales of $3.07 billion in 2023 for Xeljanz, with a major increase in the market share gained by JAK inhibitors. (Figure 2).

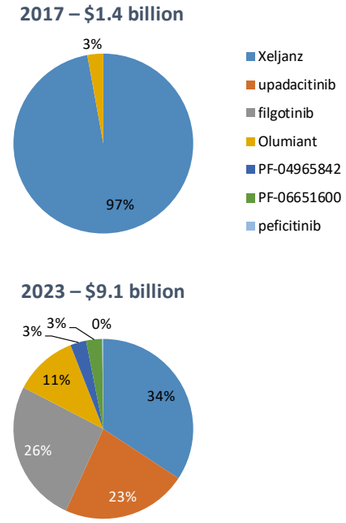


Figure 2: Sales forecasts for JAK kinase inhibitors in 2017 and 2023 – Source: Global Data

RIPK2 KINASE INHIBITORS: A NEW TARGET OF INTEREST FOR ONCODESIGN

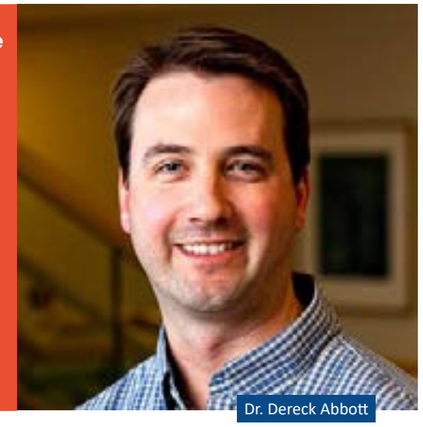
RIPK2 (or RIP2, Receptor Interacting Kinase 2) is a kinase that plays a part in the innate immune system. It features in a pathway activated when a bacterial infection occurs, and its role is to eliminate the infected cells. Nonetheless, this natural line of defense could be responsible for a number of autoimmune diseases, as several genetic and pharmacological studies have suggested in the latest scientific literature. So the inhibition of this kinase represents a new opportunity for therapeutic intervention in various immuno-inflammation indications. As a result, it's a major avenue of research in the pharma sector.

GSK has currently made the most progress in this area. It has developed a RIPK2 kinase inhibitor that is now in phase I trials for inflammatory intestinal diseases (trials began in January 2018).

Over the past few years, Oncodesign has been investing in developing RIPK2 inhibitors produced using its Nanocyclix technology. These are currently in the advanced stages of Lead Optimization.

Dr. Derek Abbott, Professor of Medicine at Case Western Reserve University in Cleveland:

"Inflammatory diseases such as Crohn's disease and psoriasis have a massive impact on millions of people worldwide. As a result, they take a heavy social and economic toll on society. That has prompted the pharma industry to show tremendous interest in identifying new therapeutic targets and small molecules treating these diseases. These new small molecules have untapped potential in the treatment of these devastating conditions."


Dr. Dereck Abbott

A FAST-MOVING MARKET WITH A WHOLE SLEW OF PARTNERSHIP AGREEMENTS & ACQUISITIONS

Immuno-inflammation is a fast-moving sector that has seen multiple partnerships, co-developments, acquisitions and capital injections. A total of 175 agreements spanning all development stages were reported in the immuno-inflammation market during 2017. Further deals have been sealed since the beginning of 2018, including three flagship agreements:

Stage: Drug candidate

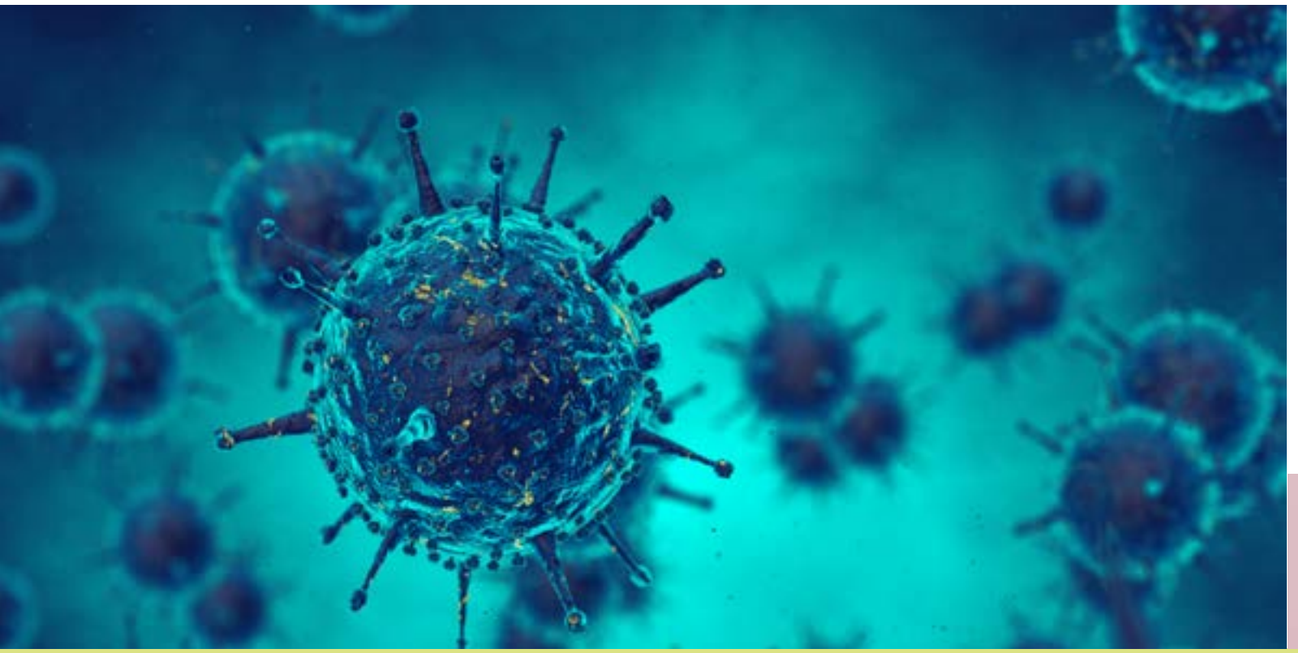
- Biogen acquires the license for KPT-35 from Karyopharma
- $217 million, including $10 million upfront

Stage: Phase I

- Partnership between Janssen & Theravance to develop the JAK TD-1473 inhibitor
- $1 billion, including $100 million upfront

Stage: Phase III

- Acquisition of Tigenix by Takeda for $626 million



SHAREHOLDERS' VOICE

Here are our answers to your FAQs

WHAT'S THE LATEST ON ONCODESIGN'S FIRST CLINICAL TRIAL OF THE EGFR RADIOTRACER? WHEN IS PATIENT ENROLMENT FOR THE STUDY DUE TO BE COMPLETED?

The clinical trial currently being conducted in partnership with Cyclopharma and the CGFL (Georges-François Leclerc anti-cancer center) in Dijon has three successive stages.
The first phase involving eight patients is already over. The second involving six patients should be completed very shortly. Once these two phases have been finalized, we should be in a position to confirm the radiotracer's benefits and specific performance in the treatment of patients with non-small cell lung cancer.
The third phase aims to validate certain parameters so that the design of the next clinical trial can be prepared. In any event, our objective and that of our partners, too, will be to be able to present the new data at a major medical conference to gain the maximum exposure for this highly innovative program.

WHAT STAGE HAVE THE RIPK2 AND LRRK2 PROGRAMS REACHED? WHAT IS YOUR DEVELOPMENT STRATEGY FOR THESE PROGRAMS?

Our research and development capabilities were given a massive boost by the integration of the François Hyafil research center, which was completed in 2017. Their addition delivers tangible benefits on a daily basis. The ALK1 and MNK1/2 programs have been able to advance to the Lead Optimization phase very rapidly. The next major stages anticipated are likely to be the selection of drug candidates for our RIPK2 and LRKK2 programs, which both have very substantial potential and could lead to new clinical trials.

TWO INITIAL TARGETS HAVE BEEN ANNOUNCED UNDER THE BRISTOL-MYERS SQUIBB PARTNERSHIP. WHEN WILL YOU BE IN A POSITION TO PROVIDE MORE DETAILS ABOUT THEM? HOW MANY OTHER TARGETS ARE YOU WORKING ON?

Both the declared targets were discovered by Bristol-Myers Squibb, and our kinase inhibitors have been shown to be effective on them.
Since these programs belong to Bristol-Myers Squibb, unfortunately we do not know when they will decide to make more details public. In any event, our partnership is continuing on its two initial targets, and we continue to jointly explore other targets of interest.

YOU HAVE ANNOUNCED A 2020 REVENUE TARGET OF €40 MILLION. ISN'T THAT RATHER AMBITIOUS?

Firstly, when we set this target, Oncodesign had €11.3 million in revenues (FY 2016).
And secondly, our guidance was for a minimum of €40 million. That nuance makes all the difference because we also said that we expected to earn €25-30 million in revenues by then solely from our Service businesses. That leaves very substantial upside should one or more of our Discovery programs be successful.

In addition to this revenue target, we also released a profitability target for 2020—something that is extremely rare for a biotechnology company.

LATEST NEWS

Biotech Finances – January 2018

Oncodesign, to become a Biotech

"The model offers clear financial synergies. Services, collaborative programs and partnerships generate immediate and relatively secure revenue streams."

Biologistes – March 2018

Artificial intelligence for precision medicine

"Oncodesign moves into precision medicine. It is looking to compile structured and unstructured healthcare data, which it will then analyze using artificial intelligence techniques to uncover signatures or biomarkers that can effectively guide doctors' treatment and point pharma companies' new drug development activities in the right direction."

Innovation Review – May 2018

Personalized or precision medicine—a therapeutic revolution already underway

"In France, Oncodesign develops both tools such as OncoSnipe, which uses artificial intelligence to identify patients resistant to treatments, and a new family of inhibitors of kinase—key enzymes that regulate cellular activity."

BROKER RATINGS

Broker	Analyst	Date	Recommandation
LCM Louis Capital Markets	Gilbert Ferrand	May 22, 2018	Buy
Kepler Cheuvreux	Thomas Guillot	May 21, 2018	Buy
CM-CIC Market Solutions	Fanny Meindre	April 12, 2018	N/A

THE NOTEBOOK OF SHAREHOLDER

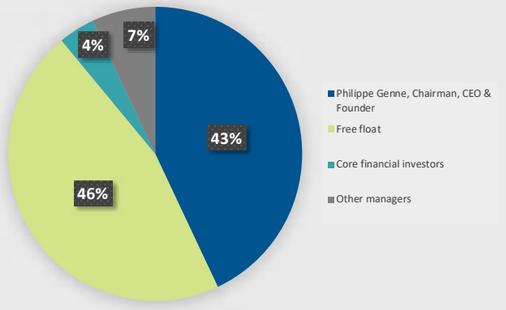
Oncodesign & The Stock Market

Euronext Growth Paris	
ISIN Code	FR0011766229
Number of Shares	6,818,412
Market cap.	€70 million
Share price	€10,3
+High/+low (12 months)	€14,00/ €9,52

Data June 4, 2018

ALONC EURONEXT GROWTH — ELIGIBLE PEA PME

Oncodesign capital structure



*Based on shares held in registered form

CALENDAR

Publication of first-half 2018 revenues
July 24, 2018

Scientific conferences
Pre-clinical PeT /MR Workshop
June 15-16, 2018 – CGFL – Dijon (France)

World Preclnical Congress
June 18-21, 2018 - Boston (USA)

Inauguration IDMIT
June 26, 2018 – Fontenay-aux-Roses (France)

DOCUMENTATION

Our annual financial report for FY 2017 is available from the investor section of our website:

Flash this QRCode to access the investor section.

A TEAM ATTENTIVE TO OUR SHAREHOLDERS

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