Regenacy Pharmaceuticals to be Launched by Acetylon Pharmaceuticals and Celgene Corporation Agrees to Complete Acquisition of Acetylon

-- Celgene secures worldwide rights to Acetylon's selective HDAC6 inhibitor programs and intellectual property in oncology, neurodegeneration, and autoimmune disease --

-- Regenacy receives exclusive, worldwide license from Celgene to Acetylon's Phase 2 selective HDAC6 inhibitor ricolinostat (ACY-1215) for the treatment of neuropathies and other non-oncology disease indications as well as Acetylon's preclinical HDAC1,2 and 3 programs –

BOSTON – December 2, 2016 – Acetylon Pharmaceuticals today announced that it has entered into an agreement to be acquired by Celgene Corporation. Prior to the consummation of the acquisition, Acetylon will spin out a new company, Regenacy Pharmaceuticals, LLC, which will focus on the development of novel drug candidates that selectively regenerate intracellular transport and upregulate gene expression to modify the course of disease. Regenacy will receive exclusive worldwide rights to Acetylon's Phase 2 selective histone deacetylase 6 (HDAC6) inhibitor, ricolinostat (ACY-1215), for the treatment of certain non-cancer disease indications including neuropathies, as well as Acetylon's preclinical selective HDAC1,2 inhibitor candidates and patent families for development in all human disease indications including sickle cell disease and beta-thalassemia.

The acquisition will provide Celgene with, among other things, worldwide rights to Acetylon's selective HDAC6 inhibitor programs and intellectual property in oncology, neurodegeneration, and autoimmune disease, including its lead drug candidates citarinostat (ACY-241) and ricolinostat (ACY-1215).

Financial terms of the acquisition are not being disclosed. The transaction is subject to customary closing conditions, including the expiration of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976. BMO Capital Markets Corp. served as exclusive financial advisor to Acetylon in the transaction.

Key members of the Acetylon executive team will join Regenacy, which will operate out of Acetylon's former headquarters in Boston's Seaport District. Regenacy will be owned by Acetylon shareholders (excluding Celgene) and will receive net working capital in Acetylon to fund Regenacy operations.

"Since its founding in 2008, Acetylon has made substantial progress in the development of selective HDAC inhibitors for enhanced therapeutic outcomes," said Walter C. Ogier, President and Chief Executive Officer of Regenacy. "We are excited to continue Acetylon's legacy through the receipt of rights to many of Acetylon's most promising compounds and the continued advancement of these clinical and preclinical programs in disease indications outside of Celgene's areas of strategic focus, where we believe patients may especially benefit from selective HDAC inhibition."

"Acetylon has had a longstanding partnership with Celgene, and their acquisition of our HDAC6 inhibitor programs is a positive event for patients and a favorable outcome for our shareholders and employees,"

said Marc A. Cohen, Chairman of Acetylon. “Celgene is the optimal partner to realize the fullest potential of Acetylon’s selective HDAC6 inhibitor programs in multiple myeloma and other oncology indications. Their intimate knowledge of citarinostat and extensive experience in oncology make them uniquely qualified to continue development of these exciting programs.”

About Selective HDAC Inhibition

Histone deacetylases (HDACs) comprise a family of 18 related enzymes found in most human cells, 11 of which utilize zinc atoms to catalyze the removal of acetyl groups from intracellular proteins. By this function, HDACs can induce structural changes in the DNA-histone complex to result in altered gene expression and protein synthesis. Inappropriate deacetylation can disrupt these processes and contribute to a wide range of diseases, whereas regeneration of acetylation selectively causes apoptosis (cell death) in cancer cells and also induces favorable immunomodulatory effects. Currently available HDAC drugs non-selectively affect the expression of numerous other genes in normal cells as well as disease-causing cells, which can result in side effects such as gastrointestinal dysfunction, lowered blood platelet levels and risk of hemorrhage, and profound fatigue as well as potential for significant cardiac toxicity. Selective inhibition of HDACs is anticipated to reduce or eliminate these often-severe side effects associated with non-selective HDAC inhibition and to enable the development of optimized treatment regimens, including maximally effective combination drug therapies.

About Regenacy

Regenacy plans to develop a portfolio of compounds that selectively regenerate intracellular transport and upregulate gene expression to modify the course of disease and enhance therapeutic outcomes in a broad range of indications. Regenacy’s programs will selectively inhibit histone deacetylase 6 (HDAC6) to restore normal protein and organelle intracellular transport in diabetic and other peripheral neuropathies and inhibit HDACs 1 and 2 to restore oxygen transport in orphan blood disorders such as sickle cell disease and beta-thalassemia, regenerate normal cognitive function in patients with psychiatric disorders, and restore normal white blood cell function in acute myeloid leukemia (AML). www.regenacy.com

About Acetylon

Acetylon Pharmaceuticals, Inc., based in Boston, Massachusetts, is the leader in the development of novel, selective small molecule drugs targeting epigenetic mechanisms for the enhancement of therapeutic outcomes in cancer and other critical human diseases. The Company’s epigenetic drug discovery platform has yielded a proprietary portfolio of optimized Class I and Class II histone deacetylase (HDAC) selective compounds for oral administration. Alteration of HDAC regulation through selective HDAC inhibition is thought to be applicable to a broad range of diseases including cancer, autoimmune and neurodegenerative diseases, neuropathy, and hemoglobinopathies including sickle cell disease and beta-thalassemia. www.acetylon.com

Forward-Looking Statements

This press release contains forward-looking statements, which are generally statements that are not historical facts. Forward-looking statements can be identified by the words "expects," "anticipates," "believes," "intends," "estimates," "plans," "will," "outlook" and similar expressions. Forward-looking statements are based on management's current plans, estimates, assumptions and projections, and

speak only as of the date they are made. Acetylon and Regenacy undertake no obligation to update any forward-looking statement in light of new information or future events, except as otherwise required by law. Forward-looking statements involve inherent risks and uncertainties, most of which are difficult to predict and are generally beyond the control of either company, including the following: (a) the occurrence of any event, change or other circumstance that could give rise to the termination of the acquisition agreement; and (b) the inability to complete the acquisition transaction or the spinout transaction due to the failure to satisfy conditions to the acquisition transaction.

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