



September 21, 2016

Eleven Biotherapeutics Reports Inducement Grants Under NASDAQ Listing Rule 5635[®](4)

CAMBRIDGE, Mass.--(BUSINESS WIRE)-- Eleven Biotherapeutics, Inc. (Nasdaq: [EBIO](#)), today reported that in connection with the appointment of each of Stephen Hurly as President and Chief Executive Officer, Arthur P. DeCillis, M.D., as Chief Medical Officer, Glen MacDonald, Ph.D., as Chief Scientific Officer and Gregory P. Adams, Ph.D., as Chief Development Officer, the Company entered into employment agreements with each of Mr. Hurly, Dr. DeCillis, Dr. MacDonald and Dr. Adams which provided for the grant of an inducement equity award outside the Company's 2014 Stock Incentive Plan in accordance with NASDAQ Listing Rule 5635[®](4).

The Company granted each of Mr. Hurly, Dr. DeCillis, Dr. MacDonald and Dr. Adams a stock option to purchase 350,000, 100,000, 100,000 and 100,000 shares of the Company's common stock, respectively, each with an effective grant date of September 20, 2016 and an exercise price of \$3.37 per share (the closing price per share of the Company's common stock on September 20, 2016) as an inducement to each recipient in connection with his employment. The inducement equity awards were approved and recommended by Eleven's Compensation Committee, approved by the Board of Directors and were made as an inducement material to each recipient's acceptance of employment with the Company in accordance with NASDAQ Listing Rule 5635[®](4).

Each of the inducement grants for Mr. Hurly, Dr. DeCillis, Dr. MacDonald and Dr. Adams expires on the day preceding the tenth anniversary of the grant date and vests over four years, with 25% of the original number of shares subject to the option vesting on the one year anniversary of the date of grant of the option and an additional 6.25% of the shares subject to the option vesting at the end of each successive three-month period following the one-year anniversary of the date of grant of the option, subject to the recipient's continued service with the Company through the applicable vesting dates. The shares underlying each option will vest in the event of the termination of the recipient's employment without cause, or by the recipient for good reason, during the twelve months, or eighteen months in the case of Mr. Hurly, following a change in control.

About Eleven Biotherapeutics

Eleven Biotherapeutics, Inc. is a late clinical-stage company advancing a broad pipeline of novel anti-cancer agents based on the Company's targeted protein therapeutics (TPTs) platform. The Company's TPTs genetically combine antibody-based fragments with protein immunotoxin payloads to create a single protein molecule through the Company's proprietary one-step manufacturing process. The Company believes its TPTs can potentially offer significant advantages in treating cancer versus existing antibody drug conjugate technologies. The Company's approach to drug design creates TPTs that it believes facilitate effective tumor targeting with cancer cell-killing properties unique to protein payloads versus small molecules. The ability of TPTs cancer cell-killing properties to promote an anti-tumor immune response suggest that TPTs will potentially combine well with immune oncology drugs. TPTs fusion protein construction provides enhanced linker stability and an efficient and cost effective manufacturing process. For more information please refer to the Company's website www.elevenbio.com.

Cautionary Note on Forward-Looking Statements

Any statements in this press release about future expectations, plans and prospects for the Company, the Company's strategy, future operations, and other statements containing the words "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "predict," "project," "target," "potential," "will," "would," "could," "should," "continue," and similar expressions, constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including the factors discussed in the "Risk Factors" section of the Company's report on Form 10-Q for the quarter ended June 30, 2016 as filed with the Securities and Exchange Commission, the "Risk Factors of Viventia's Business" filed as Exhibit 99.2 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 21, 2016 and other reports on file with the Securities and Exchange Commission. In addition, the forward-looking statements included in this press release represent the Company's views as of the date hereof. The Company anticipates that subsequent events and developments will cause the Company's views to change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date hereof.

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