Delcath Issues Letter to Shareholders

NEW YORK, Sept. 22, 2017 — Delcath Systems, Inc. (OTCQB:DCTH), an interventional oncology company focused on the treatment of primary and metastatic liver cancers, announces that Jennifer K. Simpson, Ph.D., MSN, CRNP, President and Chief Executive Officer, has issued a Letter to Stockholders providing a business update and rationale for the Company's recent actions to preserve access to capital. The full text of the Letter, which has also been posted to the Company's website, is as follows.

Dear Fellow Stockholders:

Following recent events, I write to explain the steps we are taking to restore Delcath's access to capital so we can continue to advance our business and the clinical programs on which shareholder value depends.

As previously announced, we recently completed the listing process for our common stock on the OTCQB Market. As a consequence of shareholder non-approval of our proposed reverse stock split earlier this month, Delcath could not regain compliance with the continued listing requirements on the Nasdaq Capital Market. Following discussions with both Nasdaq and OTC Markets, as a result of our no longer being able to meet the continued listing requirements, the change in listing to the OTC Markets was effected without the need to file a Form 25 and more quickly than anticipated.

Since the stock split proposal did not achieve the level of shareholder support required under Delaware law for passage (approval by a majority of the issued and outstanding shares of our capital stock), the underlying issue of our authorized share limit remains. This leaves the Company unable to access the restricted cash otherwise available under the 2016 convertible notes or to pursue new equity financing (which, after diligent exploration of all available alternatives, are the only means of access to capital for us in the near future). Unless and until Delcath can make authorized shares available and thus access capital, it does not have the ability to fund its business and continue operations beyond the next few months.

Thus, we have concluded an agreement with the 2016 convertible note holders that will resolve the authorized shares limit issue. This agreement provides for the issuance of Series C preferred shares in exchange for $0.5 million in cash, providing us with necessary cash to continue our operations in the short term and providing the convertible note holders with enhanced voting rights sufficient to approve a reverse stock split. As disclosed in our Schedule 14C Information Statement filed with the SEC yesterday, a consent in lieu of a special stockholders meeting was signed by two of our shareholders today to authorize our Board to effect a reverse stock split at either 1:50, 1:100 or, 1:350, at the discretion of the Board of Directors. As with our prior proposals, the ratio range is intended to provide the

Board with maximum flexibility to address limits on the Company's access to capital. This vote will be effective, and the Board will be able to approve the reverse stock split once 20 calendar days have elapsed from the date of mailing of our Schedule 14C Information Statement to our shareholders.

In supporting this reverse split approval, the motivations of the Board and management have been properly focused on providing funds for the Company to continue operations, develop its products for improved cancer patient care, create a sustainable business and increase shareholder value. The Company's stockholders in general have been given two opportunities to make their voices heard since June and twice voted more in favor than against (approximately 60% and 65% of voted shares for the September 7 and June 13 proposals, respectively). The approval of this reverse stock split is reasonably related to a rational objective – granting the Company access to capital so that it can continue as a going concern.

Together with our Board of Directors, we are taking these actions in the best interests of all shareholders. Regaining access to equity capital will allow us to continue investing in our Clinical Development Program and our commercial efforts in Europe.

Most recently, we were very pleased to have positive data in support of CHEMOSAT presented at the Cardiology and Interventional Radiology of Europe (CIRSE) Annual Meeting. The data from this single center study provided compelling external confirmation of the filtration efficiency capability and consistent performance seen with the GEN2 CHEMOSAT, and is consistent with what we are seeing in the commercial setting. This study also indicates that the hematologic side effects of treatment with CHEMOSAT are manageable.

We look forward to replicating these pharmacokinetic observations in our registration trials, which include robust evaluation of the pharmacokinetic characteristics of Delcath's PHP procedure as a treatment for patients with hepatic dominant ocular melanoma and intrahepatic cholangiocarcinoma. In order to support the advancement of these important clinical trials and unlock shareholder value, we rely on our ability to access additional capital as well as on your continued support and encouragement as we work to bring our innovative therapy to patients with cancers of the liver.

Sincerely,

Jennifer K. Simpson, Ph.D., MSN, CRNP
President and Chief Executive Officer

About Delcath Systems

Delcath Systems, Inc. is an interventional oncology Company focused on the treatment of primary and metastatic liver cancers. Our investigational product – Melphalan Hydrochloride

for Injection for use with the Delcath Hepatic Delivery System (Melphalan/HDS) – is designed to administer high-dose chemotherapy to the liver while controlling systemic exposure and associated side effects. We have commenced a global Phase 3 FOCUS clinical trial for Patients with Hepatic Dominant Ocular Melanoma (OM), and plans to initiate a global registration trial for intrahepatic cholangiocarcinoma (ICC). Melphalan/HDS has not been approved by the U.S. Food & Drug Administration (FDA) for sale in the U.S. In Europe, our system has been commercially available since 2012 under the trade name Delcath Hepatic CHEMOSAT® Delivery System for Melphalan (CHEMOSAT), where it has been used at major medical centers to treat a wide range of cancers of the liver.

Forward Looking Statements

Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by the Company or on its behalf. This news release contains forward-looking statements, which are subject to certain risks and uncertainties that can cause actual results to differ materially from those described. Factors that may cause such differences include, but are not limited to, uncertainties relating to: the timing and results of the Company's clinical trials including without limitation the OM and ICC clinical trial programs, timely enrollment and treatment of patients in the global Phase 3 OM clinical trial, IRB or ethics committee clearance of the Phase 3 OM and ICC Registration trial protocols from participating sites and the timing of site activation and subject enrollment in each trial, the impact of the presentations at major medical conferences and future clinical results consistent with the data presented, approval of Individual Funding Requests for reimbursement of the CHEMOSAT procedure, the impact, if any of ZE reimbursement on potential CHEMOSAT product use and sales in Germany, clinical adoption, use and resulting sales, if any, for the CHEMOSAT system to deliver and filter melphalan in Europe including the key markets of Germany and the UK, the Company's ability to successfully commercialize the Melphalan HDS/CHEMOSAT system and the potential of the Melphalan HDS/CHEMOSAT system as a treatment for patients with primary and metastatic disease in the liver, our ability to obtain reimbursement for the CHEMOSAT system in various markets, approval of the current or future Melphalan HDS/CHEMOSAT system for delivery and filtration of melphalan or other chemotherapeutic agents for various indications in the U.S. and/or in foreign markets, actions by the FDA or other foreign regulatory agencies, the Company's ability to successfully enter into strategic partnership and distribution arrangements in foreign markets and the timing and revenue, if any, of the same, uncertainties relating to the timing and results of research and development projects, an orderly transition to the OTCQB market, and uncertainties regarding the Company's ability to obtain financial and other resources for any research, development, clinical trials and commercialization activities. These factors, and others, are discussed from time to time in our filings with the Securities and Exchange Commission. You should not place undue reliance on these forward-looking statements, which speak only as of the date they are made. We undertake no obligation to publicly update or revise these forward-looking statements to reflect events or circumstances

after the date they are made.

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