NB: this is a summary translation of the press release original drafted in Japanese for the disclosure required in compliance with the TSE regulations.

24 September 2019

Oncolys BioPharma Inc.

Oncolys Announces Completion of DSMB Review of Phase I Study for Telomelysin-Radiation Combination Therapy in Esophageal Cancer

Oncolys BioPharma Inc. (hereafter, "Oncolys") today announces that all relevant esophageal cancer patients for the Phase I clinical trial of Telomelysin (OBP-301) (hereafter, "Telomelysin"), an oncolytic viral immunotherapy, in combination with radiation, had been administered Telomelysin, and its safety assessment by the Data Safety Monitoring Board ("DSMB") was completed.

The objectives of this clinical trial are to research the safety of Telomelysin in combination with radiotherapy for esophageal cancer patients. Six patients in total have been administered Telomelysin and the results show that there has been no adverse event observed which requires withdrawal of the drug. Oncolys plans to complete the Phase I clinical trial by filing the relevant data to the Pharmaceuticals and Medical Devices Agency (hereafter, "PMDA"). As per the development of Telomelysin for esophageal cancer treatment in Japan, from the Phase II clinical trial and the rest will be initiated by Chugai Pharmaceutical Co., Ltd. (hereafter, "Chugai").

In April 8, 2019, Oncolys and Chugai entered into an agreement that grants an exclusive license, with sublicensing rights, to Chugai concerning the development, manufacturing and marketing in Japan and Taiwan, as well as exclusive option rights concerning the worldwide development, manufacturing and marketing excluding Japan, Taiwan, China, Hong Kong and Macau to Chugai. On the same day, Telomelysin was granted SAKIGAKE Designation by the Ministry of Health, Labour and Welfare ("MHLW"), which allows it to receive prioritized consultation and review from PMDA in relations to the application for approval.

As disclosed in the "Non-consolidated Financial Results for the Six Months Ended June 30, 2019 [Japanese GAAP]", released on August 2, 2019, Oncolys has not announced its business performance forecasts for the business term ending December 2019, since the company views it difficult to calculate appropriate and reasonable numerical value due to the existence of numerous uncertain factors that impact the business performance at this point.

Ends

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About Telomelysin (OBP-301)

Telomelysin or OBP-301 is genetically modified type 5 adenovirus which can specifically replicate in and destroy cancer cells. Type 5 adenovirus causes common cold symptoms and exists in nature. We are anticipating that Telomelysin may induce strong anti-tumor activity after causing oncolysis by specific replication in cancer cells and may be safe because of its low replication ability in normal cells. In addition, serious adverse reactions such as vomiting, hair loss and hematopoietic disorders have not been reported in clinical studies we conducted so far, and thus it is expected to improve patients' Quality of Life (QOL). Furthermore, recent publication in clinic showed that cancer cells destroyed by virotherapy may enhance cancer immunity by directly transmitting the signal of their specific antigen to immune cells such as dendritic cells. Therefore, we are expecting that Telomelysin in combination with an immune checkpoint inhibitor such as anti-PD-1 antibody may have a systemic anti-cancer efficacy together with good local control.

TRANSLATION

About Oncolys BioPharma Inc.

Oncolys BioPharma develops novel cancer therapeutics and diagnostic products using gene modified viral technologies and aims to contribute to fulfill unmet medical needs for cancer and severe infectious diseases. Especially in oncology area, we utilize technology platform for oncolytic virus and develop Telomelysin and its next-generations for cancer treatment and TelomeScan for early detection of cancer and recurrence monitoring after surgery. We have established broad range of product pipeline to cover early detection of cancer, early treatment of local cancer, post-operative examination, and treatment of metastatic cancer. For more information, please visit http://www.oncolys.com/en/

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TRANSLATION