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

30 October 2019

Oncolys BioPharma Inc.

Entrusted contract with Okayama University for next generation Telomelysin (OBP-702)

Oncolys BioPharma ("Oncolys") today announcement that Oncolys has agreed the entrusted contract regarding next generation Telomelysin (OBP-702), with Okayama University.

OBP-702 is a partial modification of the gene structure of Telomelysin (OBP-301), oncolytic viral immunotherapy, that incorporates the tumor suppressor gene p53, which kills various cancer cells spontaneously, into the Telomelysin gene structure.

OBP-702 has the following four effects and is expected to show a stronger antitumor effect than Telomelysin.

1. Virus multiplication causes oncolysis
2. Apoptosis of cancer cells by p53 gene
3. Cancer cell proliferation inhibitation by p53 gene
4. Strengthen the immune against cancer by p53 gene

Currently, Toshiyoshi Fujiwara, MD, PhD, professor and chairman in the department of Gastroenterological Surgery at the Okayama University Graduate School of Medicine, received a grant from the Japan Agency for Medical Research and Development (AMED), and conduct preclinical studies of OBP-702.

Oncolys is commissioned by Okayama University to develop a manufacturing method and a quality test method among the preclinical studies of OBP-702.

Oncolys will promote R&D activities of OBP-702 and aim to start clinical trials by 2022.

The review regarding this announcement will be affect Oncolys' earning for the fiscal year ending December 2020.

Ends

# # #

TRANSLATION

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.

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/

Oncolys BioPharma Inc.	
Tel: +81 (0) 5472 1578 Email: oncolys_information@oncolys.com	

TRANSLATION