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

June 3, 2020

Oncolys BioPharma Inc.

Orphan-Drug Designation of Telomelysin for Treatment of Esophageal Cancer

Oncolys BioPharma Inc. (hereafter "Oncolys") today announced that Oncolys has received the notice of orphan-drug designation of Telomelysin (OBP-301), oncolytic viral immunotherapy, for treatment of esophageal cancer from FDA (Food & Drug Administration) on June 2, 2020.

The benefits of this designation;

1. Oncolys will obtain advice from FDA regarding the development plan of Telomelysin.
2. Oncolys will receive preferential measures such as subsidies and tax credits for clinical research expenses.
3. Oncolys will be granted 7 years market exclusivity after approval of Telomelysin.

Oncolys expects that this designation will further advance the research and development of Telomelysin and contribute to the realization of the development concept of Telomelysin, "cure cancer without surgery".

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