

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

29 Mar 2017

Oncolys BioPharma Inc.

Oncolys invests in a Washington University biotech venture specialized in vaccine development for Zika and emerging infectious diseases

Oncolys BioPharma (“Oncolys”) is pleased to announce that today the board of the company resolved to enter into an investment agreement with Precision Virologics Inc. (Missouri, USA. Chairman/CEO: Dr. Daniel Kazman hereinafter “Precision Virologics”), a Washington University biotech venture specialized in development of biologically targeted adenovirus-based vaccines for emerging infectious diseases, such as Zika.

1. Purpose of Investment

Precision Virologics was established by Dr. David Curiel, a world-renowned leader in the fields of gene therapy and adenovirus vectors, with the purpose to promote and to commercialize the development of new adenovirus based gene therapy. Precision Virologics owns worldwide exclusive rights to virus vectors and patent portfolio developed by Dr. Curiel, at Washington University in Missouri, USA.

One of the emerging infectious diseases vaccine candidates with gene-modified adenovirus vectors currently under development by Precision Virologics is a next generation vaccine for Zika. It successfully won a grant of the National Institute of Health (NIH) and has already launched the clinical development, preceding the other programs. A virus vector of this Zika vaccine is expected to enhance immunity even further by targeting dendritic cells, by contrast to the existing gene therapy. Furthermore, Precisions Virologics also intends to develop vaccines for major infectious diseases including Chikungunya, Dengue, West Nile Virus, Eblola and Tuberculosis.

Oncolys strongly believes that a capital tie-up with Precision Virologics with its world-leading gene- modification technology can help to reinforce its existing pipeline of cancer virotherapy with gene-modified adenovirus such as Telomelysin[®] (OBP-301), and to expand drug candidates portfolio in serious infectious diseases with no cure at present.

2. Details of the agreement

(1) Agreement

Oncolys will be entitled to the right of first refusal in Asian countries with relation to all projects developed by Precision Virologics, as well as to a board seat within the board of directors of Precision Virologics.

(2) Purchase cost of Precision Virologics shares and/or equity

Oncolys agrees to purchase \$500,000 ordinary shares issued by Precision Virologics, with the expected voting rights ratio of 14%.

(3) Number of shares purchased by Precision Virologics and its ratio against shares outstanding

None

3. Precision Virologics Overview

(1) Name	Precision Virologics Inc.	
(2) Address	4041 Forest Park Ave Saint Louis, Missouri 63108 USA	
(3) Representative	Daniel Katzman, CEO	
(4) Type of Business	Research and development of biologically targeted adenovirus based vaccines for emerging infectious diseases	
(5) Establishment	18 February 2012 as Precision Virologics, LLC. Converted to Precision Virologics, Inc. in August 2016.	
(6) Total Paid-In Capital	Total paid-in capital not confirmed at present	
(7) Major Shareholders	Name/Ownership	Attribution
	Dr. David Curiel 64.01%	Founder & CSO Washington University School of Medicine
	Daniel Katzman 24.68%	CEO
	Unleash Immuno Oncolytics 9.83%	Private company
	Dr. Michael Diamond 0.49%	Washington University School of Medicine
	Dr. Daniel Streblow 0.49%	Oregon Health & Science
	Dr. Robert P. Ramirez 0.49%	Universidad Iberoamericana
(8) Relationship with Oncolys	Capital	No
	Personal	No
	Transactional	No
	Related Parties	No
(9) Operating Performance and Financials in the previous 3 years		
Net Asset	No earnings report filed for the previous 3 years as it is converted to Precision Virologics Inc. in August 2016.	
Total Asset		
Net Asset per Share		
Sales		
Operating Profit		

Current Profit	
Net Profit Attributable to Parent Company Shareholders	
Net Profit per Share	
Dividend per share	

4. Schedule

(1) Board Resolution	29 March 2017
(2) Execution of Agreement	April 2017 (provisional)
(3) Execution of Investment	April 2017 (provisional)

5. Future Outlook

The announcement above will not significantly affect Oncolys' earnings for the fiscal year ending 31 December.

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About Oncolys BioPharma Inc.

Oncolys BioPharma is a TSE Mothers-listed biopharmaceutical company with focuses on the development of novel biologics for the treatment of cancer and infectious diseases. The company's lead product for the treatment of cancer, Telomelysin® (OBP-301), is based on replication-competent oncolytic virus, and is being tested in Phase I/II clinical trial in Asia and Phase II in the USA, for various solid tumors. A novel cancer diagnostic product, TelomeScan® (OBP-401/1101), is expected to be effective in detecting various types of cancer and inflammatory diseases and adopted in several private practices.

For more information, please visit <http://www.oncolys.com/en/>

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