Announcement of License Agreement for Telomelysin™ (OBP-301) in China

The Board of Oncolys BioPharma (“Oncolys”) is pleased to announce that today it has resolved to execute a license agreement with Jiangsu Hengrui Medicine Co., Ltd. (“Hengrui”) for oncolytic virus Telomelysin™ to secure the exclusive license in Mainland China, Hong Kong, and Macau, following a conclusion of Letter of Intent with Hengrui as announced in a press release “Announcement of Letter of Intent for OBP-301 (Telomelysin™) license in China” dated 20 May, 2016.

Under the terms of the license agreement, Oncolys will be eligible to receive an upfront payment, and development and sales milestones. Further financial and contractual details are not disclosed, however, due to confidentiality and business development reasons. Oncolys believes that development of Telomelysin will be further accelerated and its marketing potential enhanced by the collaboration.


No related impact on Oncolys’ earnings prediction for the FY2016 is expected for the moment, as a result of this agreement. We will inform investors of any important matter arising from the transaction, in a timely and appropriate manner.

About Hengrui
Company Name : Jiangsu Hengrui Medicine Co., Ltd. (江蘇恒瑞醫藥股份有限公司)
Address: No.7 Kunlunshan Road, Lianyungang Eco & Tech Development Zone LIANYUNGANG, JNG, 222000 China (江蘇省連雲港市經濟技術開發區昆侖山路 7 号)
Representative : Dr. Piaoyang Sun, Chairman & Director
Listed on: Shanghai (ticker: 600276)
Establishment : 1997
Total Paid-In Capital : CNY 1,360,220,000 （approx. JPY 23bn）
Main Business: R&D, manufacturing and distribution of pharmaceutical tablets, injections and raw materials with expertise in antineoplastic and infectious diseases drugs and those for surgery
Number of employees : 10,191 （as of 30/6/2016）
Earnings FY2015 :
Sales: CNY 9,316,000,000 (JPY 179.5bn)
Operating Profit: CNY 2,558,900,000 (JPY 49.3bn)
Net Profit: CNY 2,171,600,000 (JPY 41.8bn)
(CNY1 = JPY19.27, as of 31/12/2015)

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**About OBP-301 (Telomelysin™)**

Telomelysin™ or OBP-301 is oncolytic adenovirus in which gene is modified to be able to selectively replicate in cancer cells by introducing human telomerase reverse transcriptase (htERT) promotor. Oncolytic adenovirus has much potential for cancer immunotherapy because its viral replication is highly immunogenic, and oncolysis induced by such virus releases tumor epitopes and provides costimulatory danger signals. From the result of phase 1 clinical study in the US, Oncolys obtained promising data showing abscopal effect in melanoma patients after single injection into one single tumor and found that not only increasing infiltration of CD8 and antigen presenting cells but diminishing Treg cells in injected tumor site. Oncolys has been conducting a phase I/II clinical study of Telomelysin, with Medigen Biotechnology Corp., for hepatocellular carcinoma in Korea and Taiwan, and a phase II clinical study for melanoma in the USA (the study protocol submitted to the US FDA in Aug 2016). We will also soon initiate a phase I/II study for esophageal cancer in combination with radiation, and another phase I/II study for esophageal cancer in combination with a check-point inhibitor in Japan.

**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, 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. The company also has a major program OBP-601 (Festinavir) for infectious diseases, which has completed Phase II clinical trial in the U.S. for HIV/AIDS therapy, supported by BMS. OBP-601 is a novel NRTI with highly promising safety and resistance profiles.

For more additional information, please visit [http://oncolys.com/en/](http://oncolys.com/en/)

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