PsiOxus Therapeutics Receives $15 Million Milestone Payment as Armed Oncolytic Virus Licensed to Bristol-Myers Squibb Achieves CTA

December 12, 2017 –OXFORD, UK - PsiOxus Therapeutics, Ltd. (PsiOxus) today announced that the Clinical Trial Application for NG-348, an "armed" oncolytic virus for the treatment of solid tumors, has been approved and, per the licensing agreement between the parties, Bristol-Myers Squibb will make a US $15 million milestone payment to PsiOxus.

"This is an exciting development since NG-348 is the first candidate from PsiOxus' systemically delivered, intravenous platform of tumor gene therapy to achieve regulatory approval for use in human clinical trials," stated John Beadle, M.D., Chief Executive Officer, PsiOxus, "PsiOxus is pleased to have successfully completed preclinical and manufacturing activities in support of this CTA and now looks forward to clinical investigation of this first armed oncolytic virus by Bristol-Myers Squibb."

Under the terms of the December 2016 agreement, Bristol-Myers Squibb granted PsiOxus an upfront payment of $50 million. In aggregate, PsiOxus is eligible to receive development, regulatory and sales-based milestones of $936 million, as well as royalties on net sales. Following the completion of pre-clinical development by PsiOxus, Bristol-Myers Squibb is solely responsible for global clinical development and commercialization activities related to NG-348. In June 2016, Bristol-Myers Squibb and PsiOxus entered into an exclusive clinical collaboration to study enadenotucirev, PsiOxus' systemically administered "unarmed" oncolytic adenovirus therapeutic, in a multi-cohort clinical trial.

PsiOxus' oncolytic virus therapy uses modified adenovirus that selectively replicate within tumor cells and not within normal tissue. Such viruses stimulate an inflammatory response in the tumor microenvironment, which results in the accumulation of tumor infiltrating lymphocytes. NG-348 uses PsiOxus' proprietary Tumor-Specific Immuno-Gene Therapy (T-SIGn) platform to "arm" the virus with two additional immuno-therapeutic transgenes. NG-348 is designed to drive T-cell immune responses locally within the tumor microenvironment. It is a transgene-modified variant of PsiOxus' enadenotucirev virus that encodes two immunomodulatory membrane-integrated T-cell-engaging proteins that expressed together on the surface of infected tumor cells, activate tumor-infiltrating T-cells in an antigen independent manner.

About PsiOxus Therapeutics

PsiOxus Therapeutics aims to be the world's leading immuno-oncolytic company, delivering "gene therapy for tumors" via intravenous delivery to patients with cancer. Our work is product and platform based with a focus on discovering and developing innovative immunotherapies for the treatment of solid tumors. Our products utilize enadenotucirev, our proprietary oncolytic virus and our proprietary gene therapy platform technology for next generation oncolytic viruses, Tumor-Specific Immuno-Gene Therapy (T-SIGn). The T-SIGn therapy platform is based on the company's oncolytic virus, enadenotucirev, which has properties that allow it to be delivered systemically via intravenous administration and to replicate only in tumor cells. The anti-cancer

capability can be further enhanced through "arming" – a process that involves the addition of new genes into the virus. The armed T-SIGn platform makes possible creation of a broad range of systemically delivered oncolytic immune therapeutics including oncolytic viruses that express one or more antibodies, cytokines, immunomodulatory proteins, or nucleotide (RNA) based payloads. The T-SIGn platform is in preclinical stage, while clinical trials are ongoing with enadenotucirev in different tumor types and with different combinations including checkpoint inhibitors and conventional chemotherapeutics. www.psioxus.com

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