



**FOR IMMEDIATE RELEASE**

**TSX Venture: QPT**

## **OncoQuest Signs a Definitive Agreement to Sell Drug Portfolio to Dual Industrial for U.S. \$300 Million and Commitment to Fund the Oregovomab Phase 3 Clinical Trial in Frontline Ovarian Cancer**

**EDMONTON, ALBERTA, April 22, 2020** – Quest PharmaTech Inc. (TSX-V: QPT) (“Quest” or the “Company”), a biopharmaceutical company developing and commercializing products to improve the quality of life, today announced that its subsidiary, OncoQuest Inc., has entered into a definitive agreement to sell its clinical and preclinical immunotherapy development assets to Dual Industrial Co., Ltd., a Korean publicly traded (KOSDAQ) company (“Dual”) in exchange for U.S.\$300 million in a combination of Dual common stock and Dual perpetual convertible bonds.

Dual will also be responsible for all the cost of clinical and non-clinical development of the immunotherapy assets after the execution of the Asset Transfer Agreement until a U.S. based subsidiary is set-up to oversee all of the product and clinical development functions.

“Quest is delighted that the Dual transaction secures funding for OncoQuest’s Phase 3 trial for oregovomab in frontline ovarian cancer, maintains the senior management of OncoQuest which will continue leading the development of all of OncoQuest’s clinical programs. US subsidiary also provides a platform from which to raise the additional capital to bring the transferred earlier stage clinical programs forward. It is truly an exciting partnership.” said Madi Madiyalakan, CEO of Quest and OncoQuest. “In addition, receiving equity consideration allows Quest and its shareholders to continue to participate in what we hope will be the success of the transferred OncoQuest product portfolio through ownership in Dual”, he continued.

### Terms of the Transaction

Upon the execution of the definitive agreement, Dual will be responsible for all clinical and non-clinical development expenses for OncoQuest’s technology. Dual will secure U.S. 75 million for the development which is expected no later than June 30, 2020 and will trigger the First Closing. At the Execution Date, OncoQuest shall receive U.S. \$125 million in a perpetual convertible bond, which is convertible into Dual common stock or may be redeemed by Dual for cash.

Once all necessary transfers and releases have been obtained by OncoQuest, there will be a Second Closing, confirming transfer of all legal title and registrations for OncoQuest’s drug portfolio to Dual. In return, Dual will issue U.S. \$175 million of Dual common stock to OncoQuest. The Second Closing is expected to occur no later than December 31, 2020.

The consideration received by OncoQuest from the transaction, net of transaction fees and expenses and income taxes, will be distributed to OncoQuest's shareholders, including Quest. Immediately prior to execution of the definitive agreement, Quest was a 36% shareholder in OncoQuest. As part of the asset transfer agreement, Dual has committed to returning its 2.5 million OncoQuest shares. As a result, Quest's ownership interest in OncoQuest will increase to over 40%.

Pursuant to the transaction, OncoQuest will have the right to nominate four board members to an eight-person Dual Board of Directors.

### **About OncoQuest**

OncoQuest is a subsidiary of Quest PharmaTech Inc. (TSXV-QPT) ("Quest") and is a private biopharmaceutical company focused on the development and commercialization of immunotherapies for cancer. OncoQuest's technology platform includes a portfolio of tumor antigen specific monoclonal immunoglobulins including CA-125, MUC1, PSA and Her2/neu. The company is exploring the therapeutic potential of these antibodies in combination with other immune modulating drugs or drug combinations to enhance tumor specific immunity and clinical outcomes.

OncoQuest's lead product candidate, that is the subject of the asset transfer agreement, is oregovomab, an anti-CA-125 antibody, for the treatment of ovarian cancer that has completed a Phase 2 frontline randomized controlled study. In addition, oregovomab is currently being studied in multiple Phase 2 clinical trials in the relapsed recurrent ovarian cancer setting as well. OncoQuest's anti-MUC1 antibody program has already undergone a Phase 1 clinical trial in breast cancer patients, and its development is being led by OncoVent Co. Ltd., OncoQuest's joint venture partner that has licensed the rights of our immunotherapeutic antibodies in the territory of Greater China. OncoQuest's next-generation monoclonal antibodies are based on immunoglobulin E licensed from UCLA, Stanford University and Advanced Immune Therapeutics, Inc. These antigen specific monoclonal IgE antibodies are currently in preclinical development. To learn more, visit [www.oncoquestinc.com](http://www.oncoquestinc.com).

### **About Quest PharmaTech Inc.**

Quest PharmaTech Inc is a publicly traded, Canadian based biopharmaceutical company (QPT: TSX-V) developing products to improve the quality of life. The Company through its subsidiary, OncoQuest and its Chinese joint venture, OncoVent, is developing antibody-based immunotherapeutic products for cancer. Quest has an ownership interest in Bioceltran which is focused on SP Technology™ for transdermal delivery of drugs and photosensitizers for pharmaceutical and cosmetic purposes. Quest through its subsidiary, Madenco BioSciences, is developing pharmaceutical products for dermatology and wound healing applications. Quest, through its ownership interest in OncoCare Therapeutics, is developing an antibody licensed from University of Nebraska, AR 9.6 mAb against truncated O-glycan on MUC16, for targeted cancer therapy applications. To learn more, visit [www.questpharmatech.com](http://www.questpharmatech.com)

### **About Dual Industrial Co. Ltd.**

Dual Industrial Co., Ltd. ("Dual Industrial") is a publicly traded Korean company listed on the [KOSDAQ 078590]. Dual Industrial develops and manufactures Automobile IN/EX materials parts as the first primary vendor for Hyundai Motors Group in Korea, since the company's establishment in 1993. Dual Industrial operates an R&D center and two modern manufacturing

facilities that plan, design, and manufacture automobile interiors with state-of-the-art equipment. Furthermore, Dual Industrial plans to expand its operations to the new business of "Biotechnology" with its strategic partner, OncoQuest Inc., to enhance corporate value and take advantage of the complementary synergy effects to enable Dual Industrial to become a corporate leader for the Biotechnology business in Korea. To learn more, visit [www.diac.co.kr](http://www.diac.co.kr)

***Forward Looking Statements***

This press release includes forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may," "should," "potential," "continue," "expects," "anticipates," "intends," "plans," "believes," "estimates," and similar expressions. These statements are based on management's expectations and assumptions as of the date of this press release and are subject to a number of risks and uncertainties, many of which are difficult to predict that could cause actual results to differ materially from current expectations and assumptions from those set forth or implied by any forward-looking statements. The information in this release is provided only as of the date of this release and the company undertakes no obligation to update any forward-looking statements contained in this release based on new information, future events, or otherwise, except as required by law.

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