



**TSX Venture: QPT**

## **Quest Provides Update to Immunotherapy Asset Transfer Between OncoQuest Inc. and OncoQuest Pharmaceuticals Inc.**

**EDMONTON, ALBERTA, March 26, 2021** Quest PharmaTech Inc. (TSX-V: QPT) (“Quest”) wishes to provide a further update regarding the final payment to be made pursuant to the Immunotherapy Asset Transfer between 45% owned OncoQuest Inc. (“OncoQuest”) and OncoQuest Pharmaceuticals, Inc. (formerly Dual Industrial Co., Ltd.) (KOSDAQ: 078590 or 078590.KQ) (“OQP”). A second closing of the transaction has now occurred at which time all legal title and registrations for OncoQuest’s immunotherapy assets were transferred to OQP. Under the terms of the transaction, the second closing entitled OncoQuest to receive the final payment of 65,229,709 shares of OQP with an ascribed value in the transaction of USD\$175 million, subject to all required regulatory approvals. Although OncoQuest and OQP management continue to work diligently, Korean regulatory approval for the share payment has been further delayed and still has not been received. The delay relates to the audited financial statements for its most recently completed financial year. This delay has also resulted in trading in the shares of OQP on the KOSDAQ Exchange being halted effective March 24, 2021. It remains uncertain at this time as to whether regulatory approval will ultimately be received or the timing of any such approval.

Pending regulatory approval for the final share payment, OncoQuest has received a 1% interest-bearing unsecured OQP corporate bond with a face value of USD\$175 million which is due on February 24, 2022 and can be extended annually for up to five years. OncoQuest and OQP have agreed that the corporate bond will be replaced with the OQP shares if and when the shares are approved by regulatory authorities to be issued to OncoQuest. On April 20, 2020, OncoQuest received 30-year noninterest bearing perpetual bonds of OQP with an ascribed value of USD\$125 million and convertible into OQP shares at OncoQuest’s option.

OQP and OncoQuest continue to focus on the execution of the Phase 3 clinical trial for oregovomab which has already received regulatory approval to proceed in the US, Canada, Taiwan, Spain, the Czech Republic, Hungary and Argentina, with 9 other countries pending. Currently, there are 28 clinical sites in the US and Canada that have started patient enrollment for the study. For more information, please go to [clinicaltrials.gov](https://clinicaltrials.gov) (NCT04498117, FLORA-5).

“Although I am disappointed with the delays in getting the OQP shares and monetizing the consideration received in this transaction, I am pleased to note that our clinical program remains on track and continues to add shareholder value”, commented Dr. Madiyalakan, CEO of Quest and OncoQuest and Chairman of OQP. “We will work with OQP management to resolve these issues as quickly as possible”.

Shareholders are cautioned that OncoQuest's ability to monetize the consideration received in the transaction with OQP will be dependent upon OQP's ability to fund the repayment of any bonds that become due or that could be redeemed (USD\$62.5 million of the perpetual bonds have a put option) and a liquid trading market being available for any shares of OQP that are received as consideration or issued upon the conversion of perpetual bonds held. Monetization of some of the consideration will be necessary for OncoQuest to fund Canadian income tax obligations resulting from the transaction.

### **About OncoQuest Pharmaceuticals, Inc. (078590.KQ)**

OncoQuest Pharmaceuticals, Inc. is a Korean biopharmaceutical company focused on the development and commercialization of immunotherapies for cancer. OncoQuest Pharmaceuticals' technology platform includes a portfolio of tumor antigen specific monoclonal antibodies targeting CA-125, MUC1, PSA and Her2/neu. This technology platform was acquired on April 20, 2020 from OncoQuest Inc., a private Canadian biotechnology company, 45% of which is owned by Quest PharmaTech Inc., a publicly traded company on the TSX Venture Exchange (TSX -V: QPT). OQP is exploring the therapeutic potential of these antibodies as indirect immunizers in combination with other immune modulating drugs or drug combinations to address unmet medical needs in oncology. Its lead product for the treatment of ovarian cancer, oregovomab, is being tested in a Phase III double blinded, placebo controlled multi-national clinical study (NCT04498117, FLORA-5).

### **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 has a 45% ownership interest in OncoQuest Inc. which sold its immunotherapy technology assets to OncoQuest Pharmaceuticals on April 20, 2020. Once the sale is finalized, shares of OQP are intended to be distributed to OncoQuest shareholders which would provide Quest with a direct ownership interest in OncoQuest Pharmaceuticals. Quest also has a 24% ownership interest in OncoVent, a Chinese joint venture developing antibody-based immunotherapeutic products for cancer for the Greater China territory. Quest further has a 20% ownership interest in Bioceltran which is focused on SP Technology™ for transdermal delivery of drugs and photosensitizers for pharmaceutical and cosmetic purposes. In addition, Quest is developing a mutant EGF technology licensed from Stanford University for chronic wound healing applications, and an antibody (AR 9.6) against truncated O-glycans on MUC16, licensed from University of Nebraska, for targeted solid tumour therapy applications. To learn more, visit [www.questpharmatech.com](http://www.questpharmatech.com)

### ***Forward Looking Statements***

This press release includes forward-looking statements including the receipt of the final payment of shares of OQP and the distribution of such shares to OncoQuest shareholders. 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, including the uncertainty and timing of Korean regulatory approvals for the issuance of the final payment shares of OQP to OncoQuest. 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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