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PRESS RELEASE

For Immediate Release

H2Biologics Licenses Worldwide, Exclusive Rights to Develop SD1-Granzyme B Drug Conjugate for Treatment of Mesothelin-expressing Tumors.

Shrewsbury, Mass. - - January 1, 2016 - -

H2Biologics announced that it has been granted a worldwide, exclusive license by the Research Development Foundation (RDF) for the use of human granzyme B (GrB), a naturally occurring serine protease, in developing an immunoconjugate with a human single domain antibody (SD1) that targets mesothelin-expressing tumors. Under this agreement and a license agreement with NIH for SD1, H2Biologics can target mesothelioma, pancreatic cancer, ovarian cancer, breast cancer, and lung adenocarcinoma.

The GrB technology was developed by a team of Clayton Foundation for Research (Clayton Foundation) investigators in the Immunopharmacology and Targeted Therapy laboratory headed by Dr. Michael Rosenblum at M.D. Anderson Cancer Center. This group has generated a number of targeted anticancer therapeutic proteins using granzyme B as the payload and demonstrated potent anti-tumor killing in preclinical studies. The many, distinct advantages of using human GrB over conventional toxins are lower systemic toxicity and, therefore, a greater therapeutic index compared to other targeted therapeutic agents, and impressive biological activity without release of GrB from the antibody. The GrB payload has three distinct mechanisms of action resulting in cell death at nanomolar concentrations in cell culture. In vivo studies with GrB-based therapeutics show excellent antitumor efficacy in tumor xenograft models. H2Biologics has entered into a Sponsored Research Agreement with the Clayton Foundation to sponsor additional pre-clinical research under the direction of Dr. Rosenblum. Manufacturing of the designed constructs is expected to begin in January 2016.

H2Biologics will initially evaluate mesotheliomas in preclinical and clinical studies and later expand this evaluation to pancreatic, lung, and ovarian cancers that also express the target mesothelin. The anticipated safety and therapeutic advantages of this human antibody - human serine protease conjugate over other antibody-drug agents in development are minimal or no immunogenicity and toxicity and additive or synergistic effect of its multiple mechanisms of action when used in combination with other immunotherapeutics.

About H2Biologics Inc.

H2Biologics is a startup biotechnology company focusing on the in-licensing, development, and manufacture of targeted immunotherapeutics for the treatment of cancers with unmet needs. It leverages the experience of its team in design, manufacture, and development of improved therapeutic biologics.

About Research Development Corporation

Research Development Foundation is a non-profit supporting organization of the Clayton Foundation for Research and is responsible for filing patents and licensing intellectual property arising from medical discoveries made by the Clayton Foundation. The Foundation conducts or funds medical research programs at leading universities, hospitals and research institutions such as the University of Texas M.D. Anderson Cancer Center.

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For further information or contacts, please visit www.h2biologics.com