



Arbutus Sells Part of its ONPATTRO™ (patisiran) Royalty Interest to OMERS

July 2, 2019

- Arbutus to receive \$20 million in gross proceeds before advisory fees while retaining significant downstream economics

- Runway extended with non-dilutive capital

WARMINSTER, Pa., July 02, 2019 (GLOBE NEWSWIRE) -- Arbutus Biopharma Corporation (Nasdaq: ABUS), an industry-leading Hepatitis B Virus (HBV) therapeutic solutions company, today announced the sale of part of its royalty interest on future global net sales of ONPATTRO™ (patisiran), an RNA interference (RNAi) therapeutic currently being sold by Alnylam Pharmaceuticals, Inc. (Nasdaq: ALNY) (Alnylam), to OMERS, the defined benefit pension plan for municipal employees based in the Province of Ontario, Canada. Morgan Stanley & Co. LLC acted as sole structuring agent on the transaction.

ONPATTRO is the first-ever RNAi therapeutic to be available for patients and was approved by the U.S. Food and Drug Administration (FDA) for the treatment of hereditary transthyretin-mediated (hATTR) amyloidosis with polyneuropathy on August 13, 2018, and by the European Commission for the treatment of hATTR amyloidosis in adults with stage 1 or stage 2 polyneuropathy on August 30, 2018. ONPATTRO utilizes Arbutus's lipid nanoparticle (LNP) technology, which was licensed to Alnylam in November 2012.

"ONPATTRO represents an important advance for patients with hATTR amyloidosis. This monetization opportunity is valuable for us as it both extends our runway with non-dilutive capital and maintains valuable downstream royalties," stated Michael McElhaugh, Arbutus's Chief Business Officer.

Under the terms of the LNP license agreement with Alnylam for ONPATTRO, Arbutus is entitled to tiered royalty payments on net sales of Onpattro ranging from 1.00% - 2.33% after offsets, with the highest tier applicable to annual net sales above \$500M. This royalty interest has been sold to OMERS, effective as of January 1, 2019, for \$20 million in gross proceeds before advisory fees. OMERS will retain this entitlement until it has received \$30 million in royalties, at which point 100% of the entitlement will revert to Arbutus. In addition to this royalty from the Alnylam LNP license agreement, Arbutus is also entitled to a second, but lower, royalty interest on net sales of ONPATTRO originating from a settlement agreement and subsequent license agreement with Acuitas Therapeutics. The royalty from Acuitas has been maintained by Arbutus and is not part of the royalty sale to OMERS.

About Arbutus

Arbutus Biopharma Corporation is a publicly-traded (Nasdaq: ABUS) biopharmaceutical company dedicated to discovering, developing, and commercializing a cure for patients suffering from chronic Hepatitis B infection. Arbutus is developing multiple drug candidates, each of which have the potential to improve upon the standard of care and contribute to a curative combination regimen. For more information, visit www.arbutusbio.com.

About OMERS

Founded in 1962, OMERS is one of Canada's largest defined benefit pension plans, with \$97 billion in net assets as at December 31, 2018. A jointly-sponsored pension plan, with 1,000 participating employers, OMERS invests and administers pensions on behalf of almost half a million active and retired members. OMERS members include union and non-union employees of municipalities, school boards, transit systems, electrical utilities, emergency services and children's aid societies across Ontario. Contributions are funded equally by members and employers. OMERS has employees in Toronto, London, New York, Amsterdam, Luxembourg, Singapore, Sydney and other major cities across North America and Europe – originating and managing a diversified portfolio of high-quality investments in public markets, private equity, infrastructure and real estate. For more information, please visit www.omers.com.

Forward-Looking Statements and Information

This press release contains forward-looking statements within the meaning of the Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, and forward-looking information within the meaning of Canadian securities laws (collectively, "forward-looking statements"). Forward-looking statements in this press release include statements about the potential benefits of the monetization transaction; our potential to earn future royalty payments; and the potential for our drug candidates to improve upon the standard of care and contribute to a curative combination regimen.

With respect to the forward-looking statements contained in this press release, Arbutus has made numerous assumptions regarding, among other things: the timely receipt of expected payments; the effectiveness and timeliness of preclinical and clinical trials, and the usefulness of the data; the timeliness of regulatory approvals; the continued demand for Arbutus' assets; and the stability of economic and market conditions. While Arbutus considers these assumptions to be reasonable, these assumptions are inherently subject to significant business, economic, competitive, market and social uncertainties and contingencies.

Additionally, there are known and unknown risk factors which could cause Arbutus' actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements contained herein. Known risk factors include, among others: anticipated pre-clinical studies and clinical trials may be more costly or take longer to complete than anticipated, and may never be initiated or completed, or may not generate results that warrant future development of the tested drug candidate; Arbutus may not receive the necessary regulatory approvals for the clinical development of Arbutus' products; economic and market conditions may worsen; contract parties may default in their contractual obligations; our partners may not be successful commercializing the products for which we are entitled to future payments; and market shifts may require a change in strategic focus.

A more complete discussion of the risks and uncertainties facing Arbutus appears in Arbutus' Annual Report on Form 10-K and Quarterly Reports on Form 10-Q and Arbutus' continuous disclosure filings, which are available at www.sedar.com and at www.sec.gov. All forward-looking statements herein are qualified in their entirety by this cautionary statement, and Arbutus disclaims any obligation to revise or update any such forward-looking

statements or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments, except as required by law.

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