NEWS RELEASE

SELLAS Life Sciences Announces Settlement of Counterclaims Against JGB (Cayman) Newton, Ltd. for $6.6 Million Payment by JGB

11/9/2018

- Follows Dismissal by Court of All Claims Against SELLAS

- Debenture and All Security Interests Held by JGB Terminated

NEW YORK, Nov. 09, 2018 (GLOBE NEWSWIRE) -- SELLAS Life Sciences Group, Inc. (Nasdaq:SLS) (“SELLAS” or the “Company”), a clinical-stage biopharmaceutical company focused on the development of novel cancer immunotherapies for a broad range of cancer indications, today announced that it has agreed to a settlement with JGB (Cayman) Newton, Ltd. (JGB) regarding Sellas' counterclaims against JGB which were asserted in the litigation originally commenced by JGB. As part of the settlement, JGB has paid SELLAS approximately $6.6 million in exchange for a full discharge of all claims and counterclaims asserted by SELLAS and JGB in the litigation. SELLAS and JGB have also agreed to terminate the debenture agreement and all related agreements, with JGB releasing all of its interests in the collateral for the debenture.

JGB filed the litigation in connection with a senior secured debenture entered into by SELLAS’ predecessor company, Galena BioPharma, Inc., prior to Galena's reverse merger with SELLAS on December 29, 2017. Sellas’ counterclaims related to breach of contract by JGB, among other issues.

As SELLAS previously announced, on October 23, 2018, the U.S. District Court for the Southern District of New York (SDNY) entered an order granting in full SELLAS’ motion to dismiss the complaint brought by JGB in connection with the debenture. SELLAS' counterclaims relating to breach of contract by JGB were not dismissed, as the court found SELLAS' interpretation of the contract to be prevailing.

“We are pleased with both the Court’s order dismissing all of the claims made by JGB and the settlement with JGB of our counterclaims,” said Dr. Angelos Stergiou, MD, ScD h.c., President and Chief Executive Officer of SELLAS. “Terminating this legacy Galena facility and putting the litigation behind us after having been made whole is an important milestone for SELLAS. The cash settlement of $6.6 million further bolsters our balance sheet to support our strategic objectives.”

Dr. Stergiou continued, “We look forward to significant progress across our clinical development programs before year-end, including the enrollment of our first patients in our Phase 1/2 basket trial of galinpepimut-S (GPS) in combination with Keytruda® and the advancement of our Phase 3 trial of GPS in acute myeloid leukemia. Furthermore, following our positive data of NeuVax plus trastuzumab in triple negative breast cancer announced at ESMO two weeks ago, with a p-value of 0.013 in favor of the active arm, we plan to hold a meeting with the FDA in December to reach agreement on the most optimal and expeditious development and regulatory path forward as well as advancing potential partnering discussions.”

About SELLAS Life Sciences Group, Inc.

SELLAS is a clinical-stage biopharmaceutical company focused on novel cancer immunotherapeutics for a broad range of cancer indications. SELLAS’ lead product candidate, galinpepimut-S (GPS), is licensed from Memorial Sloan Kettering Cancer Center and targets the Wilms Tumor 1 (WT1) protein, which is present in an array of tumor types. GPS has potential as a monotherapy or in combination to address a broad spectrum of hematologic malignancies and solid tumor indications. SELLAS has Phase 3 clinical trials planned (pending funding availability) for GPS in two indications, acute myeloid leukemia (AML) and malignant pleural mesothelioma (MPM) and is also developing GPS as a potential treatment for multiple myeloma (MM) and ovarian cancer. SELLAS plans to study GPS in up to four additional indications. SELLAS has received Orphan Drug designations for GPS from the U.S. Food & Drug Administration (FDA) as well as from the European Medicines Agency for AML, MPM, and MM; GPS also received Fast Track designation for AML, MPM and MM from the FDA. SELLAS’ second product candidate, nelipepimut-S (NeuVax™, NPS), is a HER2-directed cancer immunotherapy being investigated for the prevention of the recurrence of breast cancer after standard of care treatment in the adjuvant setting. NPS has received Fast Track status designation by FDA for the treatment of patients with early stage breast cancer with low to intermediate HER2 expression, otherwise known as HER2 1+ or 2+, following standard of care.

For more information on SELLAS, please visit **www.sellaslifesciences.com**.

Forward-Looking Statements

This press release contains forward-looking statements. All statements other than statements of historical facts are “forward-looking statements,” including those relating to future events. In some cases, forward-looking statements

can be identified by terminology such as “plan,” “expect,” “anticipate,” “may,” “might,” “will,” “should,” “project,” “believe,” “estimate,” “predict,” “potential,” “intend,” or “continue” and other words or terms of similar meaning. These statements, include, without limitation, statements related to the further development of GPS and NPS and meetings with regulatory authorities. These forward-looking statements are based on current plans, objectives, estimates, expectations and intentions, and inherently involve significant risks and uncertainties. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of these risks and uncertainties, which include, without limitation, risks and uncertainties associated with immune-oncology product development and clinical success thereof, the uncertainty of regulatory approval, and other risks and uncertainties affecting SELLAS and its development programs as set forth under the caption “Risk Factors” in Exhibit 99.1 in its Current Report on Form 8-K filed on July 18, 2018 and in its other SEC filings. Other risks and uncertainties of which SELLAS is not currently aware may also affect SELLAS’ forward-looking statements and may cause actual results and the timing of events to differ materially from those anticipated. The forward-looking statements herein are made only as of the date hereof. SELLAS undertakes no obligation to update or supplement any forward-looking statements to reflect actual results, new information, future events, changes in its expectations or other circumstances that exist after the date as of which the forward-looking statements were made.

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