NEWS RELEASE

SELLAS Life Sciences Provides Business Update and Reports Second Quarter 2018 Financial Results

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NEW YORK, Aug. 15, 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 provided a business update and reported financial results for the quarter ended June 30, 2018.

"During the second quarter of 2018 we made significant progress in laying the foundation for executing on our clinical programs by closing the second tranche of our sale of Series A Preferred Stock and warrants and commencing the process for a follow-on equity offering. We are pleased to have closed that equity financing last month which, together with the proceeds from the sale of the preferred stock and warrants, provides us with funding to begin to advance our pipeline of novel cancer immunotherapies, focusing first on galinpepimut-S (GPS)," said Angelos Stergiou, MD, ScD h.c., President and Chief Executive Officer of SELLAS. "We plan to initiate our Phase 1/2 basket trial of GPS in combination with Keytruda® in a number of indications by the end of the third quarter with the first patient in during the fourth quarter and are actively finalizing our clinical plan for a Phase 3 study of GPS in patients with acute myeloid leukemia. Looking ahead, we are also excited to present our Phase 2b data of Herceptin® +/- NeuVax™ in an oral presentation at the 2018 Annual Meeting of the European Society for Medical Oncology (ESMO) in late October as well as optimizing our regulatory strategy for NeuVax with U.S. and European regulatory authorities and exploring strategic partnering alternatives around NeuVax," continued Dr. Stergiou.

Second Quarter 2018 and Recent Business Highlights

- In July 2018, SELLAS completed an underwritten public offering of common stock and pre-funded warrants, together with accompanying common stock warrants, for aggregate net proceeds of approximately $21.6

million, after deducting underwriting discounts, commissions and offering expenses.

- In July 2018, SELLAS announced that data on the adjuvant treatment of women with triple-negative breast cancer (TNBC) with the combination of trastuzumab (Herceptin®) +/- NeuVax™ from a Phase 2b independent investigator-sponsored trial (IST) will be presented at the 2018 ESMO Annual Meeting October 19-23 in Munich, Germany.
- In July 2018, SELLAS announced that the U.S. Food and Drug Administration (FDA) granted Fast Track designation to GPS for the treatment of multiple myeloma (MM).
- In June 2018, SELLAS presented interim data from an open-label Phase 1 IST of GPS in combination with nivolumab in patients with Wilms Tumor 1 (WT1)+ ovarian cancer in second or third remission after salvage chemotherapy at the 2018 annual meeting of American Society of Clinical Oncology (ASCO). Exploratory efficacy interim data showed that GPS, when combined with a PD-1 inhibitor, demonstrated a progression-free survival rate of 64% at one year in an intent to treat group of 11 evaluable patients with WT1+ ovarian cancer in second or greater remission. Among patients who received at least three doses of GPS in combination with nivolumab, PFS at one year was 70% (7/10). The historical rates with best standard treatment do not exceed 50% in this disease setting.
- In June 2018, SELLAS announced that the Phase 2b independent IST of Herceptin® +/- NeuVax™ in HER2 1+/2+ breast cancer patients achieved its key clinical development objectives and was being discontinued, based in part on the recommendation of the independent Data Safety Monitoring Board to further develop the NeuVax™ + Herceptin® combination for patients with TNBC.
- In June 2018, the Company was issued U.S. Patent No. 9,993,538 which is a method of use patent that is part of the patent portfolio for the GALE-301 and GALE-302 folate binding protein derived peptides. The method claims cover a dosing regimen to induce an immune response against a tumor expressing folate receptor alpha (FR-alpha) using the GALE-301 peptide (peptide of FR-alpha epitope E39) and the GALE-302 peptide booster (peptide of FR-alpha epitope E39'). The patent will expire on May 31, 2036 and provides further patent protection on the initial GALE-302 patent family, which expires in 2022.
- In May 2018, SELLAS announced that the FDA granted orphan drug designation to GPS for the treatment of MM.
- In May 2018, SELLAS completed the second tranche of its $10.7 million private placement transaction.
- In April 2018, SELLAS appointed Gene Mack as Chief Financial Officer and Treasurer.

Second Quarter 2018 Financial Results

For accounting purposes, SELLAS Life Sciences Group Ltd., a private Bermuda exempted company (SELLAS Ltd.), is considered to have acquired the Company (which was formerly known as Galena Biopharma, Inc. (Galena)) in the business combination between SELLAS Ltd. and Galena (the Merger); therefore, upon the Merger, the financial statements of Galena became those of SELLAS Ltd. and the results reported are those of SELLAS Ltd. reflecting the acquisition of Galena as of December 29, 2017.

Cash Position: As of June 30, 2018, cash and cash equivalents were $1.3 million, compared to $2.3 million as of December 31, 2017. Net cash used in operating activities was $11.7 million for the first half of 2018, partially offset by $8.9 million of net cash provided by financing activities. On July 16, 2018, SELLAS completed an underwritten public offering of common stock and pre-funded warrants, together with accompanying common stock warrants, for aggregate net proceeds of approximately $21.6 million, after deducting underwriting discounts, commissions and offering expenses.

R&D Expenses: Research and development expenses were $1.6 million for the second quarter of 2018, as compared to $1.8 million for the second quarter of 2017. The decrease was primarily attributable to a decrease in licensing fees, partially offset by a severance charge and an increase in clinical and regulatory consulting services. Research and development expenses for the six months ended June 30, 2018 were $3.4 million, as compared to $4.0 million for the same period in 2017. The decrease was primarily attributable to a decrease in licensing fees.

G&A Expenses: General and administrative expenses were $4.9 million for the second quarter of 2018, as compared to $3.8 million for the second quarter of 2017. The increase was primarily driven by an increase in legal fees related to ongoing litigation and other legal matters related to Galena's business and operations, personnel related expenses and an increase in insurance premiums. These increases were partially offset by a decrease in stock-based compensation expense. General and administrative expenses for the first half of 2018 were $8.8 million, as compared to $6.1 for the six months ended June 30, 2017. The increase during the period was primarily related to legal and advisory fees associated with the Merger with Galena and ongoing litigation and other legal matters related to Galena's business and operations.

Net Loss: Net loss attributable to common stockholders was $8.5 million for the second quarter of 2018, or a basic and diluted loss per share attributable to common stockholders of $1.26, as compared to a net loss attributable to common stockholders of $5.9 million for the second quarter of 2017, or a basic and diluted loss per share attributable to common stockholders of $4.50. Net loss attributable to common stockholders was $18.5 million for the six months ended June 30, 2018, or a basic and diluted loss per share attributable to common stockholders of $2.89, as compared to a net loss attributable to common stockholders of $10.5 million for the prior period, or a basic and diluted loss per share attributable to common stockholders of $8.14.

About SELLAS Life Sciences Group, Inc.

SELLAS is a clinical-stage biopharmaceutical company focused on the development of 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 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) for AML, MPM, and MM, as well as from the European Medicines Agency, for AML and MPM; GPS also received Fast Track designation for AML, MPM and MM from the FDA. SELLAS' second product candidate, NeuVax™ (nelipepimut-S), 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. NeuVax™ 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 timing and results of clinical studies and as to further development of NeuVax and GPS for a broad range of cancer indications. 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 risks include, without limitation, risks and uncertainties associated with immune-oncology product development and clinical success thereof, risks and uncertainties related to the timing of clinical trials, the uncertainty of regulatory approval, the uncertainty of partnering its clinical assets, 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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