

Santalis Announces First Subject Enrolled in Phase 2 Trial of East Indian Sandalwood Oil to Treat Pediatric Molluscum contagiosum

SAN ANTONIO--(<u>BUSINESS WIRE</u>)--Santalis Healthcare Corporation (formerly ViroXis Corporation), a wholly owned subsidiary of TFS Corporation, Ltd. (ASX:TFC), is pleased to announce that the first subject has been enrolled in a double-blind, placebo-controlled, randomized Phase 2 trial for the treatment of Molluscum contagiosum, testing a topical formulation of the company's novel botanical drug candidate, East Indian Sandalwood Oil (EISO).

Santalis Healthcare Corporation is a clinical-stage biopharmaceutical company developing innovative EISO-based therapies for viral diseases of the skin. A single dose level of the EISObased botanical drug candidate is being evaluated in this clinical study to assess safety and efficacy in up to 60 pediatric subjects. The on-going trial, which is being conducted at Texas Dermatology and Laser Specialists in San Antonio, TX, is expected to be completed in 2016. Molluscum contagiosum virus (MCV), a member of the poxvirus family, is responsible for a highly contagious skin infection that occurs predominately in children. The hallmark of MCV infection is the appearance of numerous, raised, unsightly lesions on the skin which can cover large areas of the body, including the face, neck, armpit, arms, and hands. The lesions may become itchy, sore, red and swollen if untreated. MCV infection is prevalent throughout the United States, is spread through skin contact and accounts for approximately 1% of all diagnoses of skin disorders. There is currently no effective prescription treatment for this condition.

"Molluscum contagiosum is highly contagious and the virus infects large numbers of children each year," commented Dr. John C. Browning, Pediatric Dermatologist and Principal Investigator for the trial. "When a child has an infection, it can spread to friends and family and he or she often can't participate in sports or social activities due to the contagious nature of the disease. Current treatment options are often painful and there is a high unmet medical need for new products that are effective, safe and non-invasive to treat this large patient group."

ABOUT MOLLUSCUM CONTAGIOSUM

Molluscum contagiosum is a viral infection of the skin caused by a DNA poxvirus Molluscum contagiosum virus (MCV). This virus is spread by skin contact and has a higher incidence in children, sexually active adults, and those who are immunodeficient. Picking or scratching may lead to further infection or scarring, and in about 10% of the cases, eczema develops around the lesions.

MCV treatment options are invasive, requiring tissue destruction and attendant discomfort. Surgical treatments include using liquid nitrogen to freeze and destroy lesions, as well as scraping them off with a curette. Scarring and loss of skin color can complicate both these treatments.

ABOUT SANTALIS

Santalis Healthcare Corporation (formerly known as ViroXis Corporation) is a wholly owned subsidiary of TFS Corporation, Ltd. (ASX: TFC). ViroXis, and its sister company, Santalis Pharmaceuticals, were acquired by TFS in July 2015 and are developing over-the-counter and prescription products that utilize TFS' cultivated, sustainable, pharmaceutical-grade East Indian Sandalwood Oil. TFS' prescription drug development programs are focused in oral health and dermatology, where EISO's well documented safety and anti-infective, anti-proliferative and anti-inflammatory properties are well suited to a number of prevalent and under-served conditions. In addition to the pediatric Molluscum contagiosum study, TFS has ongoing Phase 2 studies in oral mucositis, pediatric atopic dermatitis (eczema) and psoriasis, and is preparing to initiate a Phase 3 study for pediatric HPV skin warts.

ABOUT INDIAN SANDALWOOD

Indian sandalwood has a history as a tradeable commodity spanning thousands of years, but is now endangered due to the illegal harvest of wild trees throughout the world. As a result, Indian sandalwood is the world's most expensive tropical hardwood. Indian sandalwood oil is a globally important ingredient in fine fragrances, cosmetics and toiletries, Indian consumer products and is used for traditional medicinal purposes (Ayurvedic and Chinese medicine). The wood is used for high quality carvings and artefacts and religious worship in the Hindu and Buddhist faiths. The global pharmaceutical market has the potential to be a significant consumer of Indian sandalwood.

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