Outlook Therapeutics, Inc. Logo

Outlook Therapeutics® Enters Definitive Agreement for $31.8 Million Unsecured Convertible Promissory Note

December 23, 2022

ISELIN, N.J., Dec. 23, 2022 (GLOBE NEWSWIRE) -- Outlook Therapeutics, Inc. (Nasdaq: OTLK) (the "Company"), a biopharmaceutical company working to develop and launch the first FDA-approved ophthalmic formulation of bevacizumab for use in retinal indications, announced that it has entered into a Securities Purchase Agreement ("SPA") with an accredited investor (the "lender"), and pursuant to the SPA, issued the lender an unsecured convertible promissory note (the "Note") with a face amount of $31,820,000. The closing of the financing is expected to occur on December 28, 2022, subject to satisfaction of closing conditions, including the receipt of at least $25.0 million of equity financing. The proceeds from the Note and a previously announced equity financing, which remains subject to satisfaction of customary closing conditions, are expected to provide funding through the anticipated U.S. Food and Drug Administration approval of ONS-5010 expected in the third calendar quarter of 2023.

The Note will bear interest at the annual rate of 9.5%, matures on January 1, 2024 and is convertible into the Company's common stock beginning on April 1, 2023 at an initial conversion price of $2.00 per share. The Company has the right to convert all or any portion of the outstanding balance under the Note into shares of common stock at a conversion price of $2.00 per share if certain conditions have been met at the time of conversion, including if at any time after the six-month anniversary of the closing date, the daily volume-weighted average price of the Company's common stock on Nasdaq equals or exceeds $2.50 per share for a period of 30 consecutive trading days. The SPA and the Note contain customary covenants and events of default, including instances in which the lender may increase the principal amount of the Note and in which the conversion price may be lowered.

A Current Report on Form 8-K summarizing the terms of the SPA and the Note has been filed with the U.S. Securities and Exchange Commission (the "SEC"), and this press release is subject to the further detail provided in the Form 8-K.

Net proceeds of the Note are expected to be approximately $30 million after original issue discount and after deducting the Lender's transaction costs covered by the Company in connection with the issuance. Outlook Therapeutics intends to use a portion of the proceeds to repay the outstanding balance of approximately $11.9 million on the Company's existing convertible note with the lender, and the remaining net proceeds for working capital and general corporate purposes, including in support of its ONS-5010 development program.

Brookline Capital Markets, a division of Arcadia Securities, LLC acted as financial advisor to Outlook Therapeutics.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction.

The offer and sale of the Note has not been registered under the Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

About Outlook Therapeutics, Inc.

Outlook Therapeutics is a biopharmaceutical company working to develop and launch ONS-5010/ LYTENAVA ™ (bevacizumab-vikg) as the first FDA-approved ophthalmic formulation of bevacizumab for use in retinal indications, including wet AMD, DME and BRVO. The FDA accepted Outlook Therapeutics' BLA submission for ONS-5010 to treat wet AMD with a PDUFA goal date of August 29, 2023. The submission is supported by Outlook Therapeutics' wet AMD clinical program, which consists of three clinical trials: NORSE ONE, NORSE TWO, and NORSE THREE. If ONS-5010 ophthalmic bevacizumab is approved, Outlook Therapeutics expects to commercialize it as the first and only FDA-approved ophthalmic formulation of bevacizumab for use in treating retinal diseases in the United States, United Kingdom, Europe, Japan, and other markets. As part of the Company's multi-year commercial planning process, and in anticipation of potential FDA approval in August 2023, Outlook Therapeutics and AmerisourceBergen have entered into a strategic commercialization agreement to expand the Company's reach for connecting to retina specialists and their patients. AmerisourceBergen will provide third-party logistics (3PL) services and distribution, as well as pharmacovigilance services in the United States. For more information, please visit www.outlooktherapeutics.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, you can identify forward-looking statements by terminology such as "anticipate," "estimate," "expect," "intend," "look forward," "may," "might," "plan," "potential," "predict," "project," "should," "will," the negative of terms like these or other comparable terminology, and other words or terms of similar meaning. These include, among others, statements about ONS-5010's potential as the first FDA-approved ophthalmic formulation of bevacizumab-vikg, the timing of the closing of the transactions contemplated by the SPA and the Note and the anticipated proceeds therefrom, the satisfaction of closing conditions for the expected financings, the expectation of funding through the anticipated approval of ONS-5010 by the U.S. Food and Drug Administration, the services to be provided under Outlook's partnership with AmerisourceBergen and the anticipated benefits thereof and expectations regarding a commercial launch of ONS-5010, plans for regulatory submissions and potential launch in international markets, and other statements that are not historical fact. Although Outlook Therapeutics believes that it has a reasonable basis for the forward-looking statements contained herein, they are based on current expectations about future events affecting Outlook Therapeutics and are subject to risks, uncertainties and factors relating to its operations and business environment, all of which are difficult to predict and many of which are beyond its control. These risk factors include those risks associated with developing pharmaceutical product candidates, risks of conducting clinical trials and risks in obtaining necessary regulatory approvals, as well as those risks detailed in Outlook Therapeutics' filings with the SEC, including the Annual Report on Form 10-K for the fiscal year ended September 30, 2021, as supplemented by its Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, which include the uncertainty of future impacts related to the ongoing COVID-19 pandemic and other macroeconomic factors. These risks may cause actual results to differ materially from those expressed or implied by forward-looking statements in this press release. All forward-looking statements included in this press release are expressly qualified in their entirety by the foregoing cautionary statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Outlook Therapeutics does not undertake any obligation to update, amend or clarify these forward-looking statements whether as a result of

new information, future events or otherwise, except as may be required under applicable securities law.

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