

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): **December 20, 2019**

Outlook Therapeutics, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-37759
(Commission File Number)

38-3982704
(IRS Employer Identification No.)

7 Clarke Drive
Cranbury, New Jersey
(Address of principal executive offices)

08512
(Zip Code)

Registrant's telephone number, including area code: **(609) 619-3990**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities pursuant to Section 12 (b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock	OTLK	The Nasdaq Stock Market LLC
Series A Warrants	OTLKW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

Senior Secured Note Exchange

On December 20, 2019, Outlook Therapeutics, Inc. (the “Company”) entered into an exchange agreement with the holders of its approximately \$7.3 million outstanding aggregate principal amount and accrued interest of senior secured notes (the “Old Senior Notes”) originally issued pursuant to the certain Note and Warrant Purchase Agreement dated December 22, 2017, as amended on April 13, 2017, November 5, 2018, and June 28, 2019 (the “Exchange Agreement”). Pursuant to the Exchange Agreement, the holders of the Old Senior Notes exchanged the entire outstanding principal and accrued interest for new senior secured notes having an aggregate outstanding original principal amount of \$7.6 million, which includes an aggregate exchange fee of approximately \$0.3 million. Such exchange was exempt from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 3(a)(9) thereof.

The New Senior Notes are substantially similar to the Old Senior Notes, as amended through the date of the Exchange Agreement, bear interest at a rate of 12.0% per annum and will mature December 31, 2020 (subject to extension to June 30, 2021 at the Company’s option upon payment of an extension fee equal to 3% of the outstanding balance and being in compliance with applicable Nasdaq listing requirements). The New Senior Notes are convertible, at the option of the holder, from time to time beginning April 1, 2020, into shares of the Company’s common stock, par value \$0.01 per share, at a conversion price equal to 90% of the two lowest closing bid prices in the 20 trading days immediately preceding such conversion, subject to a beneficial ownership cap, and compliance with applicable Nasdaq rules requiring stockholder approval prior to the issuance of more than 19.99% of the Company’s outstanding shares at a price per share lower than the “minimum price.” The Company agreed to file a definitive proxy statement to seek such stockholder approval no later than June 30, 2020.

Under the Exchange Agreement, while the New Senior Notes are outstanding, the Company agreed to keep adequate public information available, maintain its Nasdaq listing, and refrain from undertaking certain “Variable Security Issuances” without the holders’ consent, subject to certain limited exempt issuances, in addition to other negative covenants. The New Senior Notes provide that it is an event of default if the Company breaches its negative covenants under the Exchange Agreement, and contain other customary events of default, in addition to providing for a default rate of 14%, and giving the holder the right to increase the outstanding balance by 5% in the event of default.

In connection with the closing of the initial sale of the Old Senior Notes, the Company entered into a Security Agreement and an Intellectual Property Security Agreement, each dated December 22, 2016, granting the holders of the Old Senior Notes a security interest in all of its assets. The New Senior Notes are deemed to be “Notes” for purposes of such security agreements and accordingly, the New Senior Notes are similarly secured by a security interest in all of the Company’s assets.

The foregoing description of the Exchange Agreement and New Senior Notes are summaries of the material terms of such agreement and notes, do not purport to be complete and are qualified in their entirety by reference to the Exchange Agreement, form of New Senior Note, and Security Agreement and Intellectual Property Security Agreement, which are filed as Exhibits 10.1, 10.2, 10.3 and 10.4 to this Current Report on Form 8-K and are incorporated by reference herein.

April 2019 Warrant Restructuring

On December 23, 2019, the Company amended the terms of its outstanding 15-month warrants and five-year warrants issued April 12, 2019 (collectively, the “Warrants”), which originally had an exercise price of \$2.90 per share of the Company’s common stock, par value \$0.01 per share (the “Common Stock”), by entering into Amendment #2 (“Amendment #2”) to that certain Warrant Agreement, dated as of April 12, 2019, as previously amended June 11, 2019 (the “Warrant Agreement”), by and between the Company and American Stock Transfer & Trust Company, LLC, as warrant agent, with the written consent of the requisite Warrant holders.

Under Amendment #2, the exercise price of all outstanding Warrants was reduced to \$0.2320 per share and the exercise period was amended such that all Warrants expire at 5:00 P.M., Eastern time, on December 24, 2019 (the “New Expiration Date”).

Amendment #2 also revised the cashless exercise provisions such that all Warrants may be cashless exercised at any time, and provided that all Warrants that have not been exercised prior to the New Expiration Date will be automatically exercised on a cashless basis for Common Stock immediately prior to expiration, with shares held in abeyance to accommodate the beneficial ownership restrictions applicable to all holders, and provided a carveout from such restrictions for BioLexis Pte. Ltd., the Company’s controlling stockholder. Other than the reduction in the exercise price, amendment of the New Expiration Date, amendment of cashless exercise provisions and providing for automatic net exercise prior to expiration, provision for abeyance for all holders to comply with beneficial ownership limitations, and provision of a carveout for BioLexis Pte. Ltd. from the beneficial ownership restrictions, all other terms and provisions of the Warrants remain unchanged.

The Company further agreed with the holders to a market standstill subject to customary exceptions through February 1, 2020.

The foregoing description of Amendment #2 is a summary of the material terms of such agreement, does not purport to be complete and is qualified in its entirety by reference to the full text of Amendment #2, which is filed as Exhibit 10.5 to this Current Report on Form 8-K and incorporated by reference herein.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

The disclosure in Item 1.01 is incorporated by reference into this Item.

Item 3.01 Material Modification to Rights of Security Holders

The disclosure set forth in Item 1.01 is incorporated by reference into this Item 3.01.

Item 3.02 Unregistered Sales of Equity Securities

The disclosure in Item 1.01 is incorporated by reference into this Item.

Item 3.03 Material Modification to Rights of Security Holders.

The disclosure in Item 1.01 is incorporated by reference into this Item.

Item 8.01 Other Information

On December 23, 2019, the Company issued a press release regarding the debt exchange described herein, which is filed as Exhibit 99.1 hereto.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
<u>10.1</u>	<u>Exchange Agreement dated December 23, 2019</u>
<u>10.2</u>	<u>Form of Senior Secured Promissory Note</u>
<u>10.3</u>	<u>Security Agreement dated December 22, 2016 (incorporated by reference to Exhibit 10.4 to the Company's current report on Form 8-K filed on December 23, 2016).</u>
<u>10.4</u>	<u>Intellectual Property Security Agreement dated December 22, 2016 (incorporated by reference to Exhibit 10.5 to the Company's current report on Form 8-K filed on December 23, 2016).</u>
<u>10.5</u>	<u>Amendment #2 dated December 23, 2019 of Warrant Agreement between the Company and American Stock Transfer & Trust Company LLC, as warrant agent, dated as of April 12, 2019, as amended.</u>
<u>99.1</u>	<u>Press release dated December 23, 2019</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Outlook Therapeutics, Inc.

Date: December 23, 2019

By: /s/ Lawrence A. Kenyon

Lawrence A. Kenyon

Chief Executive Officer and Chief Financial Officer

THE EXCHANGE CONTEMPLATED HEREIN IS INTENDED TO COMPORT WITH THE REQUIREMENTS OF SECTION 3(a)(9) OF THE SECURITIES ACT OF 1933, AS AMENDED. NEITHER THE SECURED CONVERTIBLE PROMISSORY NOTE, NOR THE SHARES OF COMMON STOCK ISSUABLE UPON CONVERSION THEREOF (COLLECTIVELY, THE "SECURITIES"), HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER ANY STATE SECURITIES OR BLUE SKY LAWS. THE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE OFFERED, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES OR BLUE SKY LAWS, PURSUANT TO REGISTRATION OR QUALIFICATION OR EXEMPTION THEREFROM. BORROWER (AS DEFINED BELOW) MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO BORROWER TO THE EFFECT THAT ANY PROPOSED TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES OR BLUE SKY LAWS.

EXCHANGE AGREEMENT

This Exchange Agreement (this "**Agreement**") is entered into as of December 20, 2019 by and among Iliad Research and Trading, L.P., a Utah limited partnership ("**Iliad**"), Chicago Venture Partners, L.P., a Utah limited partnership ("**CVP**," and together with Iliad, "**Lenders**"), and Outlook Therapeutics, Inc., a Delaware corporation ("**Borrower**").

- A. Borrower previously sold and issued those certain Secured Promissory Notes set forth on Schedule 1 attached hereto (the "**Original Notes**").
 - B. Effective June 27, 2019, Lenders acquired all of the Original Notes.
 - C. Borrower and Lenders desire to exchange (such exchange is referred to as the "**Note Exchange**") the Original Notes for new Secured Convertible Promissory Notes substantially in the form attached hereto as Exhibit A (the "**Exchange Notes**").
 - D. The Note Exchange will consist of Lenders surrendering the Original Notes in exchange for the Exchange Notes.
 - E. This Agreement, the Exchange Notes, the Transfer Agent Letter (as defined below), the Secretary's Certificate (as defined below), and any other documents, agreements, or instruments entered into or delivered in connection with this Agreement, or any amendments to any of the foregoing, are collectively referred to as the "**Exchange Documents**".
 - F. For purposes of this Agreement: "**Conversion Shares**" means all shares of Common Stock (as defined below) issuable upon conversion of all or any portion of the Exchange Notes; and "**Securities**" means the Exchange Notes and the Conversion Shares.
 - G. Other than the surrender of the Original Notes, no consideration of any kind whatsoever shall be given by Lenders to Borrower in connection with this Agreement.
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H. Lenders and Borrower now desire to exchange the Original Notes for the Exchange Notes on the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Recitals and Definitions. Each of the parties hereto acknowledges and agrees that the recitals set forth above in this Agreement are true and accurate, are contractual in nature, and are hereby incorporated into and made a part of this Agreement.

2. Issuance of Exchange Notes. Upon execution of this Agreement, Lenders will surrender the Original Notes to Company and Company will issue to Lenders the Exchange Notes. In conjunction therewith, Company hereby confirms that the Original Notes represent Company's unconditional obligation to repay the amounts owing thereunder pursuant to the terms thereof. Company and Holder agree that upon issuance of the Exchange Notes, the Original Notes will be cancelled and the remaining obligations owed to Lenders pursuant to the Original Notes shall hereafter be evidenced solely by the Exchange Notes.

3. Exchange Fee; Affirmation of Outstanding Balance. The Company acknowledges that the outstanding balance of each Exchange Note includes an exchange fee in the amount set forth on Schedule 2 (each, an "**Exchange Fee**"), which sum was added to the outstanding balance of each Exchange Note. Holder and the Company acknowledge and agree that the outstanding balance of each Exchange Note, upon its issuance, including application of the Exchange Fee, is as set forth on Schedule 2.

4. Closing. The closing of the transaction contemplated hereby (the "**Closing**") along with the delivery of the Exchange Notes to Lenders shall occur on the date that is mutually agreed to by Borrower and Lenders by means of the exchange by express courier and/or email of .pdf documents, but shall be deemed to have occurred at the offices of Hansen Black Anderson Ashcraft PLLC in Lehi, Utah.

5. Holding Periods, Tacking and Legal Opinion. Borrower represents, warrants and agrees that for the purposes of Rule 144 ("**Rule 144**") of the Securities Act of 1933, as amended (the "**Securities Act**"), the holding periods of the Original Notes and the Exchange Notes will include the prior noteholders' holding period of the Original Notes as well as Lenders' holding periods of the Original Notes. Borrower agrees not to take a position contrary to this Section 5 in any document, statement, setting, or situation. Borrower agrees to take all action necessary to issue the Conversion Shares without restriction, and not containing any restrictive legend without the need for any action by Lenders; provided that the applicable holding period has been met. In furtherance thereof, prior to the Closing, counsel to Lenders may, in its sole discretion, provide an opinion that: (a) the Conversion Shares may be resold pursuant to Rule 144 without volume or manner-of-sale restrictions; and (b) the transactions contemplated hereby and all other documents associated with this transaction comport with the requirements of Section 3(a)(9) of the Securities Act. Borrower represents that it is not subject to Rule 144(i). The Exchange Notes are being issued in substitution of and exchange for the Original Notes. Borrower acknowledges and understands that the representations and agreements of Borrower in this Section 5 are a material inducement to Lenders' decision to consummate the transactions contemplated herein.

6. Borrower's Representations, Warranties and Agreements. In order to induce Lenders to enter into this Agreement, Borrower, for itself, and for its affiliates, successors and assigns, hereby acknowledges, represents, warrants and agrees as follows: (a) Borrower has full power and authority to enter into this Agreement and to incur and perform all obligations and covenants contained herein, all of which have been duly authorized by all proper and necessary action, (b) no consent, approval, filing or registration with or notice to any governmental authority is required as a condition to the validity of this Agreement or the performance of any of the obligations of Borrower hereunder, (c) no event of default has occurred under the Original Notes that has not been waived or cured prior to the date hereof, (d) except as specifically set forth herein, nothing herein shall in any manner release, lessen, modify or otherwise affect Borrower's obligations under the Original Notes, (e) the issuance of the Exchange Notes is duly authorized by all necessary corporate action and the Exchange Notes are validly issued, fully paid and non-assessable, free and clear of all taxes, liens, claims, pledges, mortgages, restrictions, obligations, security interests and encumbrances of any kind, nature and description, (f) Borrower has not received any consideration in any form whatsoever for entering into this Agreement, other than the surrender of the Original Notes, and (g) Borrower has taken no action that would give rise to any claim by any person for a brokerage commission, placement agent or finder's fee or other similar payment by Borrower related to this Agreement.

7. Lenders' Representations, Warranties and Agreements. In order to induce Borrower to enter into this Agreement, each Lender, for itself, and for its affiliates, successors and assigns, hereby acknowledges, represents, warrants and agrees as follows: (a) Lender has full power and authority to enter into this Agreement and to incur and perform all obligations and covenants contained herein, all of which have been duly authorized by all proper and necessary action, (b) other than the Nasdaq Approval, as contemplated herein, no consent, approval, filing or registration with or notice to any governmental authority is required as a condition to the validity of this Agreement or the performance of any of the obligations of Lender hereunder, (c) no event of default has occurred under the Original Notes that has not been waived or cured prior to the date hereof, (d) Lender has not paid any consideration in any form whatsoever for entering into this Agreement, other than the surrender of the Original Notes and (e) Lender has taken no action that would give rise to any claim by any person for a brokerage commission, placement agent or finder's fee or other similar payment by Borrower related to this Agreement.

8. Company Covenants. Until all of the Company's obligations under all of the Exchange Notes are paid and performed in full, or within the timeframes otherwise specifically set forth below, the Company will at all times comply with the following covenants: (a) so long as Holder beneficially owns any Exchange Note and for at least ten (10) Trading Days thereafter, the Company will timely file on or before the applicable deadline all reports required to be filed with the SEC pursuant to Sections 13 or 15(d) of the 1934 Act, and will take all reasonable action under its control to ensure that adequate current public information with respect to Company, as required in accordance with Rule 144 of the 1933 Act, is publicly available, and will not terminate its status as an issuer required to file reports under the 1934 Act even if the 1934 Act or the rules and regulations thereunder would permit such termination; (b) the Common Stock shall be listed for trading on Nasdaq; (c) when issued in accordance with the terms of the Exchange Note, the Conversion Shares will be duly authorized, validly issued, fully paid for and non-assessable, free and clear of all liens, claims, charges and encumbrances; (d) trading in the Common Stock will not be suspended, halted, chilled, frozen, reach zero bid or otherwise cease on the Company's principal trading market for a period in excess of 24 hours; and (e) the Company will not make any Variable Security Issuance (as defined below) without Holder's prior written consent, which consent may be granted or withheld in Holder's sole and absolute discretion, other than in connection with an Exempt Issuance. For purposes hereof, the term "**Variable Security Issuance**" means the issuance by the Company of any securities that (A) have or may have conversion rights of any kind, contingent, conditional or otherwise, in which the number of shares that may be issued pursuant to such conversion right varies with the market price of the Common Stock after the initial issuance of such securities, or (B) are or may become convertible into Common Stock (including without limitation convertible debt, warrants or convertible preferred stock), with a conversion price that varies with the market price of the Common Stock after the initial issuance of such securities, even if such security only becomes convertible following an event of default, the passage of time, or another trigger event or condition. For purposes hereof, "**Exempt Issuance**" means (a) the issuance of Common Stock or common stock equivalents to employees, officers, directors or vendors of the Company pursuant to any stock or option plan duly adopted for such purpose, by the Board of Directors or a majority of the members of a committee of directors established for such purpose, (b) the issuance of securities upon the exercise or exchange or conversion of any Securities issued hereunder and/or other securities exercisable or exchangeable for or convertible into Common Stock issued and outstanding on the date of this Agreement, provided that such securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities, (c) securities issued pursuant to acquisitions, divestitures, licenses, partnerships, collaborations or strategic transactions approved by the Board of Directors or a majority of the members of a committee of directors established for such purpose, which acquisitions, divestitures, licenses, partnerships, collaborations or strategic transactions can have a Variable Security Issuance component, provided that any such issuance shall only be to a person (or to the equity holders of a person) which is, itself or through its subsidiaries, an operating company or an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities, (d) the entry into, or issuance of securities pursuant to, an equity line of credit or "at-the-market" facility, or (e) the issuance of warrants with no price reset.

9. Conditions to Company's Obligation to Exchange. The obligation of Company hereunder to exchange the Original Notes for the Exchange Notes at the Closing is subject to the satisfaction, on or before the Closing Date, of the following condition: Holder shall have executed and delivered this Agreement to Company.

10. Conditions to Holder's Obligation to Exchange. The obligation of Holder hereunder to Exchange the Original Notes for the Exchange Notes at the Closing is subject to the satisfaction, on or before the Closing Date, of each of the following conditions, provided that these conditions are for Holder's sole benefit and may be waived by Holder at any time in its sole discretion:

- (a) Company shall have executed and delivered this Agreement and the Exchange Notes to Holder.

(b) Company shall have delivered to Holder a fully executed Secretary's Certificate substantially in the form attached hereto as Exhibit B (the "**Secretary's Certificate**") evidencing Company's approval of the Exchange and the Exchange Documents.

(c) Company shall have delivered to Holder a fully executed Letter of Instructions to Transfer Agent ("**Transfer Agent Letter**") substantially in the form attached hereto as Exhibit C acknowledged and agreed to in writing by Company's transfer agent (the "**Transfer Agent**").

11. Reservation of Shares. On the date hereof, the Company will reserve 20,000,000 shares of Common Stock from its authorized and unissued Common Stock to provide for all issuances of Common Stock under the Exchange Notes (the "**Share Reserve**"). The Company further agrees to add additional shares of Common Stock to the Share Reserve in increments of 1,000,000 shares as and when requested by Holder if as of the date of any such request the number of shares then being held in the Share Reserve is less than two (2) times the number of shares of Common Stock obtained by dividing the aggregate outstanding balance of the Exchange Notes as of the date of the request by the then applicable Conversion Price (as defined in the Exchange Notes).

12. Nasdaq Approval. Notwithstanding anything to the contrary contained in this Agreement or any Exchange Agreement, Borrower and Lender agree that the total cumulative number of shares of Common Stock issued to Lender pursuant to all Exchanges may not exceed the requirements of Nasdaq Listing Rule 5635(d) ("Nasdaq 19.99% Cap"), except that such limitation will not apply following Nasdaq Approval (defined below). So as not to violate the 20% limit established in Nasdaq Stock Market Listing Rule 5635(d), the Company covenants and agrees to file a definitive proxy statement to seek stockholder approval on or before June 30, 2020 of the potential issuance of Common Stock in excess of 20% of the Company's current issued and outstanding Common Stock pursuant to conversions of the Exchange Notes ("**Nasdaq Approval**"). If the Company fails to file a definitive proxy statement to seek Nasdaq Approval on or before such date, such failure shall be an event of default under all of the Exchange Notes, but, for the avoidance of doubt, the Company's failure to obtain the Nasdaq Approval shall not be an Event of Default under the Exchange Notes. If the Borrower is unable to obtain such Nasdaq Approval, any remaining Outstanding Balance of the Exchange Notes must be repaid in cash

13. Governing Law; Waiver of Jury Trial. This Agreement and all actions arising out of or in connection with this Agreement shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Agreement shall be governed by, the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. **EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY AND REPRESENTS THAT COUNSEL HAS BEEN CONSULTED SPECIFICALLY AS TO THIS WAIVER.**

14. Venue. Each of the parties hereto irrevocably submits to the exclusive jurisdiction of the courts of the State of New York located in New York County and the United States District Court for the Southern District of New York for the purpose of any suit, action, proceeding or judgment relating to or arising out of this Agreement and the transactions contemplated hereby. Service of process in connection with any such suit, action or proceeding may be served on each party hereto anywhere in the world by the same methods as are specified for the giving of notices under this Agreement. Each of the parties hereto irrevocably consents to the jurisdiction of any such court in any such suit, action or proceeding and to the laying of venue in such court. Each party hereto irrevocably waives any objection to the laying of venue of any such suit, action or proceeding brought in such courts and irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

15. Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile transmission or other electronic transmission (including email) shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile transmission or other electronic transmission (including email) shall be deemed to be their original signatures for all purposes.

16. Attorneys' Fees. In the event of any action at law or in equity to enforce or interpret the terms of this Agreement, the parties agree that the party who is awarded the most money shall be deemed the prevailing party for all purposes and shall therefore be entitled to an additional award of the full amount of the attorneys' fees and expenses paid by such prevailing party in connection with the litigation and/or dispute without reduction or apportionment based upon the individual claims or defenses giving rise to the fees and expenses. Nothing herein shall restrict or impair a court's power to award fees and expenses for frivolous or bad faith pleading.

17. No Reliance. Borrower acknowledges and agrees that neither Lenders nor any of its officers, directors, members, managers, equity holders, representatives or agents has made any representations or warranties to Borrower or any of its agents, representatives, officers, directors, or employees except as expressly set forth in this Agreement and the Exchange Documents and, in making its decision to enter into the transactions contemplated by this Agreement, Borrower is not relying on any representation, warranty, covenant or promise of Lenders or its officers, directors, members, managers, equity holders, agents or representatives other than as set forth in this Agreement.

18. Severability. If any part of this Agreement is construed to be in violation of any law, such part shall be modified to achieve the objective of the parties to the fullest extent permitted and the balance of this Agreement shall remain in full force and effect.

19. Entire Agreement. This Agreement, together with the Exchange Documents, and all other documents referred to herein, supersedes all other prior oral or written agreements between Borrower, Lenders, its affiliates and persons acting on its behalf with respect to the matters discussed herein, and this Agreement and the instruments referenced herein contain the entire understanding of the parties with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither Lenders nor Borrower makes any representation, warranty, covenant or undertaking with respect to such matters.

20. Amendments. This Agreement may be amended, modified, or supplemented only by written agreement of the parties. No provision of this Agreement may be waived except in writing signed by the party against whom such waiver is sought to be enforced.

21. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. This Agreement or any of the severable rights and obligations inuring to the benefit of or to be performed by Lenders hereunder may be assigned by Lenders to a third party, including its financing sources, in whole or in part with the prior written consent of Borrower, not to be unreasonably withheld, conditioned or delayed; provided that Lenders may assign any of their rights hereunder to any of their respective affiliates without requiring such consent by Borrower. Borrower may not assign this Agreement or any of its obligations herein without the prior written consent of Lenders, such consent not to be unreasonably withheld, conditioned or delayed.

22. Time of Essence. Time is of the essence with respect to each and every provision of this Agreement.

23. Notices. Any notice required or permitted hereunder shall be given in writing (unless otherwise specified herein) and shall be deemed effectively given on the earliest of:

(a) the date delivered, if delivered by personal delivery as against written receipt therefor or by email to an executive officer, or by facsimile (with successful transmission confirmation),

(b) the fifth Business Day after deposit, postage prepaid, in the United States Postal Service by certified mail, or

(c) the second Business Day after mailing by domestic or international express courier (e.g., FedEx), with delivery costs and fees prepaid,

in each case, addressed to each of the other parties thereunto entitled at the following addresses (or at such other addresses as such party may designate by five (5) Business Days' advance written notice similarly given to each of the other parties hereto):

If to Borrower:

Outlook Therapeutics, Inc.
Attn: Lawrence A. Kenyon, CEO & CFO
7 Clarke Drive
Cranbury, New Jersey 08512
email:
fax:

with a copy to (which shall not constitute notice):

Cooley LLP
Attn: Yvan-Claude Pierre
55 Hudson Yards
New York, New York 10001
email:
fax:

If to Lenders:

Iliad Research and Trading, L.P.
Attn: John M. Fife
303 East Wacker Drive, Suite 1040
Chicago, Illinois 60601
email:
fax:

with a copy to (which shall not constitute notice):

Hansen Black Anderson Ashcraft PLLC
Attn: Jonathan K. Hansen
3051 West Maple Loop Drive, Suite 325
Lehi, Utah 84043
email:
fax:

in each case, addressed to each of the other parties thereunto entitled at the party's last known address.

24. Further Assurances. Each party shall do and perform or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first set forth above.

BORROWER:

OUTLOOK THERAPEUTICS, INC.

By: /s/ Lawrence A. Kenyon

Name: Lawrence A. Kenyon

Title: President, Chief Executive Officer and Chief Financial Officer

LENDERS:

ILIAD RESEARCH AND TRADING, L.P.

By: Iliad Management, LLC, its General Partner

By: Fife Trading, Inc., its Manager

By: /s/ John M. Fife

John M. Fife, President

CHICAGO VENTURE PARTNERS, L.P.

By: Chicago Venture Management, L.L.C.,
its General Partner

By: CVM, Inc., its Manager

By: /s/ John M. Fife

John M. Fife, President

EXHIBITS:

Exhibit A	Exchange Notes
Exhibit B	Secretary's Certificate
Exhibit C	Transfer Agent Letter

[Signature Page to Exchange Agreement]

SCHEDULE 1

ORIGINAL NOTES

Issuance Date	Original Noteholder	Buyer	Original Principal Amount
12/22/2016	SteelMill Master Fund LP	Iliad	\$ 4,000,000.00
4/13/2017	SteelMill Master Fund LP	Iliad	\$ 1,000,000.00
1/9/2017	Avoro Life Sciences Fund LLC	CVP	\$ 1,650,000.00
4/13/2017	Avoro Life Sciences Fund LLC	CVP	\$ 1,000,000.00
5/31/2017	Trutek Corp.	CVP	\$ 1,500,000.00
12/22/2016	Nailesh Bhatt	CVP	\$ 650,000.00
12/22/2016	Scott Canute	CVP	\$ 350,000.00
		TOTAL	\$ 10,150,000.00

SCHEDULE 2

EXCHANGE NOTES

Note	Noteholder	Exchange Fee	Original Principal Amount
Exchange Note #1	Iliad	\$ 132,000.00	\$ 2,990,749.64
Exchange Note #2	Iliad	\$ 33,000.00	\$ 747,687.41
Exchange Note #3	CVP	\$ 54,450.00	\$ 1,233,684.23
Exchange Note #4	CVP	\$ 33,000.00	\$ 747,687.41
Exchange Note #5	CVP	\$ 49,500.00	\$ 1,121,531.12
Exchange Note #6	CVP	\$ 21,450.00	\$ 485,996.82
Exchange Note #7	CVP	\$ 11,550.00	\$ 261,690.59
		TOTAL	\$ 7,589,027.22

NEITHER THIS NOTE (AS DEFINED BELOW) NOR THE SECURITIES ISSUABLE UPON CONVERSION HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER ANY STATE SECURITIES OR BLUE SKY LAWS. THIS NOTE IS ISSUED IN EXCHANGE PURSUANT TO SECTION 3(A)(9) OF THE SECURITIES ACT, FOR THAT CERTAIN SECURED PROMISSORY NOTE IN THE ORIGINAL PRINCIPAL AMOUNT OF \$[] HAVING AN ORIGINAL ISSUE DATE OF []. THIS NOTE AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF MAY NOT BE OFFERED, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES OR BLUE SKY LAWS, PURSUANT TO REGISTRATION OR QUALIFICATION OR EXEMPTION THEREFROM.

Form of

SECURED CONVERTIBLE PROMISSORY NOTE #1 []

"Original Issue Date": []

"Exchange Date": December 20, 2019

Principal Amount U.S. \$[]

FOR VALUE RECEIVED, Outlook Therapeutics, Inc., a Delaware corporation ("**Borrower**"), promises to pay to [] a [], or its successors or assigns ("**Lender**"), \$[] and any interest, fees, charges, and late fees on or before December 31, 2020 (the "**Maturity Date**") in accordance with the terms set forth herein and to pay interest on the Outstanding Balance at the rate of 12% per annum simple interest from the Exchange Date until the same is paid in full. This Secured Convertible Promissory Note #1 (this "**Note**") is issued and made effective pursuant to that certain Exchange Agreement dated as of December 20, 2019 (the "**Exchange Date**"), as the same may be amended from time to time (the "**Exchange Agreement**"), by and between Borrower and Lender, pursuant to which Lender exchanged that certain Secured Promissory Note issued in favor of [] on [], which had an original principal amount of \$[], and an outstanding principal amount of \$[] on December 20, 2019 for this Note, pursuant to Section 3(a)(9) of the Securities Act of 1933, as amended, which was secured by that certain Security Agreement dated December 22, 2016 among Borrower and the secured parties thereto (the "**Security Agreement**"), and that certain Intellectual Property Security Agreement dated December 22, 2016 by and among Borrower and the secured parties thereto (the "**IP Security Agreement**"). All interest calculations hereunder shall be computed on the basis of a 365-day year based on the actual number of days elapsed and shall be payable in accordance with the terms of this Note. This Note was fully paid for on the Original Issue Date and subsequently assigned to Lender. Certain capitalized terms used herein are defined in Attachment 1 attached hereto and incorporated herein by this reference.

1. Payment; Prepayment.

1.1. Payments. All payments owing hereunder shall be in lawful money of the United States of America or Conversion Shares (as defined below), as provided for herein, and delivered to Lender at the address or bank account furnished to Borrower for that purpose. All payments shall be applied first to (a) costs of collection, if any, then to (b) fees and charges, if any, then to (c) accrued and unpaid interest, and thereafter, to (d) principal.

1.2. Prepayment. Borrower shall have the right to prepay all or any portion of the Outstanding Balance without penalty.

2. Security. This Note will be secured by the Security Agreement and the IP Security Agreement which will both continue in full force and effect. This Note shall be deemed to be one of the “Notes” as defined in such agreements.

3. Conversion.

3.1. Conversions. Lender has the right at any time on or after April 1, 2020 until the Outstanding Balance has been paid in full, at its election, to convert (“**Conversion**”) all or any portion of the Outstanding Balance into shares (“**Conversion Shares**”) of fully paid and non-assessable common stock, \$0.01 par value per share (“**Common Stock**”), of Borrower as per the following conversion formula: the number of Conversion Shares equals the amount being converted (the “**Conversion Amount**”) divided by the Conversion Price (as defined below). Conversion notices in the form attached hereto as Exhibit A (each, a “**Conversion Notice**”) may be effectively delivered to Borrower by any method set forth in the “Notices” Section of the Exchange Agreement, and all Conversions shall be cashless and not require further payment from Lender. Borrower shall have one (1) full Trading Day following effective delivery to confirm its agreement with the information provided in a Conversion Notice by Lender as to the price, number of shares, and remaining outstanding balance of the Exchange Notes. If Borrower does not object to the Conversion Notice within such one (1) full Trading Day period, the Conversion Notice shall be deemed valid as of such Trading Day and accepted by Borrower. Borrower shall deliver the Conversion Shares from any Conversion to Lender in accordance with Section 8 below.

3.2. Conversion Price. Subject to the adjustments set forth herein, the conversion price for each Conversion shall be calculated pursuant to the following formula: 90% multiplied by the average of the two (2) lowest Closing Bid Prices during the twenty (20) Trading Days immediately preceding the applicable Conversion (the “**Conversion Price**”).

4. Defaults and Remedies.

4.1. Defaults. The following are events of default under this Note (each, an “**Event of Default**”): (a) Borrower fails to pay any principal, interest, fees, charges, or any other amount when due and payable hereunder; (b) Borrower fails to deliver any Conversion Shares in accordance with the terms hereof; (c) a receiver, trustee or other similar official shall be appointed over Borrower or a material part of its assets and such appointment shall remain uncontested for twenty (20) days or shall not be dismissed or discharged within sixty (60) days; (d) Borrower becomes insolvent or generally fails to pay, or admits in writing its inability to pay, its debts as they become due, subject to applicable grace periods, if any; (e) Borrower makes a general assignment for the benefit of creditors; (f) Borrower files a petition for relief under any bankruptcy, insolvency or similar law (domestic or foreign); (g) an involuntary bankruptcy proceeding is commenced or filed against Borrower; (h) Borrower or any pledgor, trustor, or guarantor of this Note defaults or otherwise fails to observe or perform any covenant, obligation, condition or agreement of Borrower or such pledgor, trustor, or guarantor contained herein or in any other Exchange Document (as defined in the Exchange Agreement), other than those specifically set forth in this Section; (i) any representation, warranty or other statement made or furnished by or on behalf of Borrower or any pledgor, trustor, or guarantor of this Note to Lender herein, in any Exchange Document, or otherwise in connection with the issuance of this Note is false, incorrect, incomplete or misleading in any material respect when made or furnished; (j) the occurrence of a Fundamental Transaction without Lender’s prior written consent; (k) Borrower fails to maintain the Share Reserve (as defined in the Exchange Agreement) as required under the Exchange Agreement and such failure is not cured by Borrower within ten (10) days after written notice thereof from Lender; or (l) any money judgment, writ or similar process is entered or filed against Borrower or any subsidiary of Borrower or any of its property or other assets for more than \$500,000.00, and shall remain unvacated, unbonded or unstayed for a period of twenty (20) calendar days unless otherwise consented to by Lender; or (m) Borrower, any affiliate of Borrower, or any pledgor, trustor, or guarantor of this Note breaches any covenant or other term or condition contained in any Other Agreements.

4.2. Remedies. At any time and from time to time after Lender becomes aware of the occurrence of any Event of Default, Lender may accelerate this Note by written notice to Borrower, with the Outstanding Balance becoming immediately due and payable in cash at the Mandatory Default Amount. Notwithstanding the foregoing, at any time following the occurrence of any Event of Default, Lender may, at its option, elect to increase the Outstanding Balance by applying the Default Effect (subject to the limitation set forth below) via written notice to Borrower without accelerating the Outstanding Balance, in which event the Outstanding Balance shall be increased as of the date of the occurrence of the applicable Event of Default pursuant to the Default Effect, but the Outstanding Balance shall not be immediately due and payable unless so declared by Lender (for the avoidance of doubt, if Lender elects to apply the Default Effect pursuant to this sentence, it shall reserve the right to declare the Outstanding Balance immediately due and payable at any time and no such election by Lender shall be deemed to be a waiver of its right to declare the Outstanding Balance immediately due and payable as set forth herein unless otherwise agreed to by Lender in writing). Notwithstanding the foregoing, upon the occurrence of any Event of Default described in clauses (c), (d), (e), (f) or (g) of Section 4.1, the Outstanding Balance as of the date of acceleration shall become immediately and automatically due and payable in cash at the Mandatory Default Amount, without any written notice required by Lender. At any time following the occurrence of any Event of Default, upon written notice given by Lender to Borrower, interest shall accrue on the Outstanding Balance beginning on the date the applicable Event of Default occurred at an interest rate equal to the lesser of 14% per annum or the maximum rate permitted under applicable law (“**Default Interest**”). For the avoidance of doubt, Lender may continue making Conversions at any time following an Event of Default until such time as the Outstanding Balance is paid in full. In connection with acceleration described herein, Lender need not provide, and Borrower hereby waives, any presentment, demand, protest or other notice of any kind, and Lender may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such acceleration may be rescinded and annulled by Lender at any time prior to payment hereunder and Lender shall have all rights as a holder of the Note until such time, if any, as Lender receives full payment pursuant to this Section 4.2. No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon. Nothing herein shall limit Lender’s right to pursue any other remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to Borrower’s failure to timely deliver Conversion Shares upon Conversion of this Note as required pursuant to the terms hereof.

5. Extension Right. So long as (a) no Event of Default has occurred, and (b) Borrower is in full compliance with all Nasdaq listing requirements, including, but not limited to, not being in any 180-day Nasdaq grace period for non-compliance, Borrower may, in its sole discretion, extend the Maturity Date to June 30, 2021 (the “**Extension**”) by giving to Lender written notice (the “**Extension Notice**”) of its intent to extend the Maturity Date not less than thirty (30) calendar days prior to the date the Extension shall become effective. In consideration of the Extension, Borrower shall pay to Lender a non-refundable extension fee in the amount of 3% of the aggregate Outstanding Balance (the “**Extension Fee**”) as of the date the Extension Notice is delivered to Lender, which Extension Fee will be added to the Outstanding Balance as of the date on which the Company delivers the Extension Notice to Borrower.

6. Unconditional Obligation; No Offset. Borrower acknowledges that this Note is an unconditional, valid, binding and enforceable obligation of Borrower not subject to offset, deduction or counterclaim of any kind. Borrower hereby waives any rights of offset it now has or may have hereafter against Lender, its successors and assigns, and agrees to make the payments or Conversions called for herein in accordance with the terms of this Note.

7. Waiver. No waiver of any provision of this Note shall be effective unless it is in the form of a writing signed by the party granting the waiver. No waiver of any provision or consent to any prohibited action shall constitute a waiver of any other provision or consent to any other prohibited action, whether or not similar. No waiver or consent shall constitute a continuing waiver or consent or commit a party to provide a waiver or consent in the future except to the extent specifically set forth in writing.

8. Method of Conversion Share Delivery. On or before the close of business on the third (3rd) Trading Day following Borrower's acceptance of a valid Conversion Notice (the "**Delivery Date**"), Borrower shall, provided it is DWAC Eligible at such time and such Conversion Shares are eligible for delivery via DWAC, deliver or cause its transfer agent to deliver the applicable Conversion Shares electronically via DWAC to the account designated by Lender in the applicable Conversion Notice. If Borrower is not DWAC Eligible or such Conversion Shares are not eligible for delivery via DWAC, it shall deliver to Lender or its broker (as designated in the Conversion Notice), via email followed by reputable overnight courier, evidence of book-entry registration of the number of shares of Common Stock equal to the number of Conversion Shares to which Lender shall be entitled, registered in the name of Lender or its designee. For the avoidance of doubt, Borrower has not met its obligation to deliver Conversion Shares by the Delivery Date unless Lender or its broker, as applicable, has actually received the evidence of book-entry registration representing the applicable Conversion Shares no later than the close of business on the relevant Delivery Date pursuant to the terms set forth above. Following delivery of the Conversion Shares, the portion of the Exchange Notes so converted shall be cancelled and all obligations of Borrower under such portion of the Exchange Notes shall be deemed fulfilled. For the avoidance of doubt, prior to the Nasdaq Approval, Borrower shall have no obligation to deliver Conversion Shares in excess of the Nasdaq 19.99% Cap. Moreover, and notwithstanding anything to the contrary herein or in any other Exchange Document (as defined in the Exchange Agreement), in the event Borrower or its transfer agent refuses to deliver any Conversion Shares without a restrictive securities legend to Lender on grounds that such issuance is in violation of Rule 144 under the Securities Act of 1933, as amended ("**Rule 144**"), Borrower shall deliver or cause its transfer agent to deliver the applicable Conversion Shares to Lender with a restricted securities legend, but otherwise in accordance with the provisions of this Section 8. In conjunction therewith, Borrower will also deliver to Lender a written explanation from its counsel or its transfer agent's counsel explaining why the issuance of the applicable Conversion Shares violates Rule 144.

9. Conversion Delays. If Borrower fails to deliver Conversion Shares in accordance with the timeframe stated in Section 8, Lender may at any time prior to receiving the applicable Conversion Shares rescind in whole or in part such Conversion, with a corresponding increase to the Outstanding Balance (any returned amount will tack back to the Original Issue Date for purposes of determining the holding period under Rule 144). In addition, for each Conversion, in the event that Conversion Shares are not delivered by the Delivery Date, a late fee equal to 2% of the applicable Conversion Share Value rounded to the nearest multiple of \$100.00 but with a floor of \$500.00 per day (but in any event the cumulative amount of such late fees for each Conversion shall not exceed 200% of the applicable Conversion Share Value) will be assessed for each day after the Delivery Date until Conversion Share delivery is made and not rescinded; and such late fee will be added to the Outstanding Balance (such fees, the "**Conversion Delay Late Fees**").

10. Ownership Limitation. Notwithstanding anything to the contrary contained in this Note or the other Exchange Documents (as defined in the Exchange Agreement), if at any time Lender shall or would be issued shares of Common Stock under any of the Exchange Documents, but such issuance would cause Lender (together with its affiliates) to beneficially own a number of shares exceeding 4.99% of the number of shares of Common Stock outstanding on such date (including for such purpose the shares of Common Stock issuable upon such issuance) (the "**Maximum Percentage**"), then Lender must not convert such Exchange Notes and Borrower must not issue to Lender shares of Common Stock which would exceed the Maximum Percentage. For purposes of this section, beneficial ownership of Common Stock will be determined pursuant to Section 13(d) of the 1934 Act. Notwithstanding the forgoing, the term "4.99%" above shall be replaced with "9.99%" at such time as the Market Capitalization is less than \$10,000,000.00. Notwithstanding any other provision contained herein, if the term "4.99%" is replaced with "9.99%" pursuant to the preceding sentence, such increase to "9.99%" shall remain at 9.99% until increased, decreased or waived by Lender as set forth below. By written notice to Borrower, Lender may increase, decrease or waive the Maximum Percentage as to itself but any such waiver will not be effective until the 61st day after delivery thereof. The foregoing 61-day notice requirement is enforceable, unconditional and non-waivable and shall apply to all affiliates and assigns of Lender.

11. Issuance Cap Notwithstanding anything to the contrary contained in this Note or the other Exchange Documents, Borrower and Lender agree that the total cumulative number of shares of Common Stock issued to Lender hereunder together with all other Exchange Documents may not exceed the requirements of Nasdaq Listing Rule 5635(d) (“**Nasdaq 19.99% Cap**”), except that such limitation will not apply following Nasdaq Approval (as defined in the Exchange Agreement). If Borrower is unable to obtain Nasdaq Approval to issue Common Stock to Lender in excess of the Nasdaq 19.99% Cap, any remaining Outstanding Balance of this Note must be repaid in cash.

12. Opinion of Counsel. In the event that an opinion of counsel is needed for any matter related to this Note, Lender has the right to have any such opinion provided by its counsel.

13. Governing Law; Venue. This Note shall be governed by and construed under the laws of the State of New York, as applied to agreements among New York residents, made and to be performed entirely within the State of New York, without giving effect to conflicts of laws principles. Each of the parties hereto irrevocably submits to the exclusive jurisdiction of the courts of the State of New York located in New York County and the United States District Court for the Southern District of New York for the purpose of any suit, action, proceeding or judgment relating to or arising out of this Note and the transactions contemplated hereby. Service of process in connection with any such suit, action or proceeding may be served on each party hereto anywhere in the world by the same methods as are specified for the giving of notices under this Note. Each of the parties hereto irrevocably consents to the jurisdiction of any such court in any such suit, action or proceeding and to the laying of venue in such court. Each party hereto irrevocably waives any objection to the laying of venue of any such suit, action or proceeding brought in such courts and irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. **EACH OF THE PARTIES HERETO WAIVES ANY RIGHT TO REQUEST A TRIAL BY JURY IN ANY LITIGATION WITH RESPECT TO THIS AGREEMENT AND REPRESENTS THAT COUNSEL HAS BEEN CONSULTED SPECIFICALLY AS TO THIS WAIVER.**

14. Cancellation. After repayment or conversion of the entire Outstanding Balance, this Note shall be deemed paid in full, shall automatically be deemed canceled, and shall not be reissued.

15. Amendments. The prior written consent of both parties hereto shall be required for any change or amendment to this Note.

16. Assignments. Borrower may not assign this Note without the prior written consent of Lender. This Note and any shares of Common Stock issued upon conversion of this Note may be offered, sold, assigned or transferred by Lender without the consent of Borrower.

17. Time is of the Essence. Time is expressly made of the essence with respect to each and every provision of this Note and the documents and instruments entered into in connection herewith.

18. Notices. Whenever notice is required to be given under this Note, unless otherwise provided herein, such notice shall be given in accordance with the subsection of the Exchange Agreement titled “Notices.”

19. Liquidated Damages. Lender and Borrower agree that in the event Borrower fails to comply with any of the terms or provisions of this Note, Lender’s damages would be uncertain and difficult (if not impossible) to accurately estimate because of the parties’ inability to predict future interest rates, future share prices, future trading volumes and other relevant factors. Accordingly, Lender and Borrower agree that any fees, balance adjustments, Default Interest or other charges assessed under this Note are not penalties but instead are intended by the parties to be, and shall be deemed, liquidated damages (under Lender’s and Borrower’s expectations that any such liquidated damages will tack back to the Original Issue Date for purposes of determining the holding period under Rule 144).

20. Voluntary Agreement. Borrower has carefully read this Note and has asked any questions needed for Borrower to understand the terms, consequences and binding effect of this Note and fully understand them. Borrower has had the opportunity to seek the advice of an attorney of Borrower’s choosing, or has waived the right to do so, and is executing this Note voluntarily and without any duress or undue influence by Lender or anyone else.

21. Severability. If any part of this Note is construed to be in violation of any law, such part shall be modified to achieve the objective of Borrower and Lender to the fullest extent permitted by law and the balance of this Note shall remain in full force and effect.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed as of the Exchange Date.

BORROWER:

Outlook Therapeutics, Inc.

By: _____

Name: Lawrence A. Kenyon

Title: President, Chief Executive Officer and Chief Financial Officer

ACKNOWLEDGED, ACCEPTED AND AGREED:

LENDER:

By:

By:

By: _____

[Signature Page to Secured Convertible Promissory Note #1]

ATTACHMENT 1 DEFINITIONS

For purposes of this Note, the following terms shall have the following meanings:

A1. **“Closing Bid Price”** and **“Closing Trade Price”** means the last closing bid price and last closing trade price, respectively, for the Common Stock on its principal market, as reported by Bloomberg, L.P. (**“Bloomberg”**), or, if its principal market begins to operate on an extended hours basis and does not designate the closing bid price or the closing trade price (as the case may be) then the last bid price or last trade price, respectively, of the Common Stock prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or, if its principal market is not the principal securities exchange or trading market for the Common Stock, the last closing bid price or last trade price, respectively, of the Common Stock on the principal securities exchange or trading market where the Common Stock is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the last closing bid price or last trade price, respectively, of the Common Stock in the over-the-counter market on the electronic bulletin board for the Common Stock as reported by Bloomberg, or, if no closing bid price or last trade price, respectively, is reported for the Common Stock by Bloomberg, the average of the bid prices, or the ask prices, respectively, of any market makers for the Common Stock as reported by OTC Markets Group, Inc., and any successor thereto. If the Closing Bid Price or the Closing Trade Price cannot be calculated for the Common Stock on a particular date on any of the foregoing bases, the Closing Bid Price or the Closing Trade Price (as the case may be) of the Common Stock on such date shall be the fair market value as mutually determined by Lender and Borrower. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

A2. **“Conversion Share Value”** means the product of the number of Conversion Shares deliverable pursuant to any Conversion Notice multiplied by the Closing Trade Price of the Common Stock on the Delivery Date for such Conversion.

A3. **“Default Effect”** means multiplying the Outstanding Balance as of the date the applicable Event of Default occurred by five percent (5%) for the first occurrence of any Event of Default, and then adding the resulting product to the Outstanding Balance as of the date the applicable Event of Default occurred, with the sum of the foregoing then becoming the Outstanding Balance under this Note as of the date the applicable Event of Default occurred.

A4. **“DTC”** means the Depository Trust Company or any successor thereto.

A5. **“DTC/FAST Program”** means the DTC’s Fast Automated Securities Transfer program.

A6. **“DWAC”** means the DTC’s Deposit/Withdrawal at Custodian system.

A7. **“DWAC Eligible”** means that (a) Borrower’s Common Stock is eligible at DTC for full services pursuant to DTC’s operational arrangements, including without limitation transfer through DTC’s DWAC system, (b) Borrower has been approved (without revocation) by DTC’s underwriting department, (c) Borrower’s transfer agent is approved as an agent in the DTC/FAST Program, (d) the Conversion Shares are otherwise eligible for delivery via DWAC; and (e) Borrower’s transfer agent does not have a policy prohibiting or limiting delivery of the Conversion Shares via DWAC.

A8. **“Fundamental Transaction”** means that (a) (i) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, consolidate or merge with or into (whether or not Borrower or any of its subsidiaries is the surviving corporation) any other person or entity, or (ii) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of its respective properties or assets to any other person or entity, or (iii) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, allow any other person or entity to make a purchase, tender or exchange offer that is accepted by the holders of more than 50% of the outstanding shares of voting stock of Borrower (not including any shares of voting stock of Borrower held by the person or persons making or party to, or associated or affiliated with the persons or entities making or party to, such purchase, tender or exchange offer), or (iv) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with any other person or entity whereby such other person or entity acquires more than 50% of the outstanding shares of voting stock of Borrower (not including any shares of voting stock of Borrower held by the other persons or entities making or party to, or associated or affiliated with the other persons or entities making or party to, such stock or share purchase agreement or other business combination), or (v) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, reorganize, recapitalize or reclassify the Common Stock, other than an increase in the number of authorized shares of Borrower’s Common Stock, or (b) any “person” or “group” (as these terms are used for purposes of Sections 13(d) and 14(d) of the 1934 Act and the rules and regulations promulgated thereunder) is or shall become the “beneficial owner” (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of 50% of the aggregate ordinary voting power represented by issued and outstanding voting stock of Borrower.

A9. **“Mandatory Default Amount”** means Outstanding Balance following the application of the Default Effect.

A10. **“Market Capitalization”** means a number equal to (a) the average VWAP of the Common Stock for the immediately preceding fifteen (15) Trading Days, multiplied by (b) the aggregate number of outstanding shares of Common Stock as reported on Borrower’s most recently filed Form 10-Q or Form 10-K.

A11. **“Other Agreements”** means, collectively, (a) all existing and future agreements and instruments between, among or by Borrower (or an affiliate), on the one hand, and Lender (or an affiliate), on the other hand, and (b) any financing agreement of Borrower’s other than currently outstanding 0% unsecured notes of \$3,612,500.00 face value (and no accrued interest).

A12. **“Outstanding Balance”** means as of any date of determination, the initial outstanding balance of this Note, as reduced or increased, as the case may be, pursuant to the terms hereof for payment, Conversion, offset, or otherwise, accrued but unpaid interest, collection and enforcements costs (including attorneys’ fees) incurred by Lender, transfer, stamp, issuance and similar taxes and fees related to Conversions, and any other fees or charges (including without limitation Conversion Delay Late Fees) incurred under this Note.

A13. **“Trading Day”** means any day on which the New York Stock Exchange (or such other principal market for the Common Stock) is open for trading.

A14. **“VWAP”** means the volume weighted average price of the Common Stock on the principal market for a particular Trading Day or set of Trading Days, as the case may be, as reported by Bloomberg.

EXHIBIT A

[LENDER ADDRESS]

Outlook Therapeutics, Inc.
Attn: Lawrence Kenyon
7 Clarke Drive
Cranbury, New Jersey 08512

Date: _____

CONVERSION NOTICE

The above-captioned Lender hereby gives notice to Outlook Therapeutics, Inc., a Delaware corporation (the **'Borrower'**), pursuant to that certain Secured Convertible Promissory Note made by Borrower in favor of Lender on December 20, 2019 (the **"Note"**), that Lender elects to convert the portion of the Note balance set forth below into fully paid and non-assessable shares of Common Stock of Borrower as of the date of conversion specified below. Said conversion shall be based on the Conversion Price set forth below. In the event of a conflict between this Conversion Notice and the Note, the Note shall govern, or, in the alternative, at the election of Lender in its sole discretion, Lender may provide a new form of Conversion Notice to conform to the Note. Capitalized terms used in this notice without definition shall have the meanings given to them in the Note.

- A. Date of Conversion: _____
- B. Conversion #: _____
- C. Conversion Amount: _____
- D. Conversion Price: _____
- E. Conversion Shares: _____ (C divided by D)
- F. Remaining Outstanding Balance of Note: _____*

* Subject to adjustments for corrections, defaults, interest and other adjustments permitted by the Exchange Documents (as defined in the Exchange Agreement), the terms of which shall control in the event of any dispute between the terms of this Conversion Notice and such Exchange Documents.

Please transfer the Conversion Shares electronically (via DWAC) to the following account:

Broker: _____	Address: _____
DTC#: _____	_____
Account #: _____	_____
Account Name: _____	

To the extent the Conversion Shares are not able to be delivered to Lender electronically via the DWAC system, deliver evidence of book-entry registration of such shares to Lender via email confirmation and via reputable overnight courier after receipt of this Conversion Notice (by facsimile transmission or otherwise) to:

[Signature Page Follows]

Sincerely,

Lender:

By:

By:

By: _____

Exhibit A to Secured Convertible Promissory Note, Page 2

AMENDMENT #2 TO WARRANT AGREEMENT

OUTLOOK THERAPEUTICS, INC.

AND

AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC, AS WARRANT AGENT

THIS AMENDMENT #2, dated effective as of December 23, 2019 (“**Amendment #2**”), to the Warrant Agreement, dated as of April 12, 2019, as amended June 11, 2019 (the “**Warrant Agreement**”), by and between Outlook Therapeutics, Inc., a Delaware corporation (the “**Company**”), and American Stock Transfer & Trust Company, LLC, a New York limited liability trust company, as Warrant Agent (the “**Warrant Agent**”). Capitalized terms used but not defined in this Amendment #2 shall have the meaning ascribed to them in the Warrant Agreement.

WHEREAS, the Company and the Warrant Agent entered into that certain Warrant Agreement relating to, among other things, the issuance of 15-Month Warrants and Five-Year Warrants to purchase shares of the Company’s common stock, \$0.01 par value per share, each at an exercise price of \$2.90 per share;

WHEREAS, pursuant to Section 8.8 of the Warrant Agreement, the Company and the Warrant Agent may amend the Warrant Agreement with the written consent of the registered holders of Warrants equal to at least 67% of the Warrant Shares issuable upon exercise of all then outstanding Warrants;

WHEREAS, the Company and the registered holders of Warrants equal to at least 67% of the Warrant Shares issuable upon exercise of all outstanding Warrants desire to amend the Warrant Agreement to (i) decrease the exercise price of the Warrants, as set forth in Section 3.1 of the Warrant Agreement, to \$0.2320, (ii) amend the Expiration Date for both the 15-Month Warrants and Five-Year Warrants, as set forth in Section 3.2 of the Warrant Agreement, to 5:00 p.m. Eastern time on December 24, 2019, (iii) provide for automatic net exercise pursuant to Section 3.3.8 of the Warrant Agreement immediately prior to expiration, and (iv) amend the current Section 3.3.10 “Limitations on Exercise” to include terms of abeyance and a carve-out for BioLexis Pte. Ltd. (collectively, the “**Amendments**”);

WHEREAS, the Company, in exchange for the consent of the Holders, to further covenant to the Holders, certain matters related to the Amendments; and

WHEREAS, the registered holders of Warrants equal to at least 67% of the Warrant Shares issuable upon exercise of all currently outstanding Warrants have given their written consent to approve the Amendments.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the Company and the Warrant Agent agree as follows:

1. Amendments.

a. Section 3.1 of the Warrant Agreement is amended and restated as follows:

“3.1 Exercise Price. The exercise price per whole share of the Common Stock under each Warrant shall be \$0.2320, subject to adjustment hereunder (the “**Exercise Price**”).

b. Section 3.2 of the Warrant Agreement is amended and restated as follows:

“3.2 Duration of Warrants. A Warrant may be exercised only during the period (the “**Exercise Period**”) commencing on the Issuance Date and terminating at 5:00 P.M., Eastern time on December 24, 2019 (the “**Expiration Date**”). Each Warrant not exercised on or before the Expiration Date shall be automatically “cashless exercised” in accordance with Section 3.3.8 hereto, and thereafter, all rights thereunder and all rights in respect thereof under this Warrant Agreement shall cease at the close of business on the applicable Expiration Date.

- c. The first paragraph of Section 3.3.8 of the Warrant Agreement is amended and restated as follows:

“3.3.8 Optional Cashless Exercise. A Cashless Exercise (as defined below) may occur (i) in the case of the 15-Month Warrants only, in whole or in part for a number of whole 15-Month Warrant Shares, after May 12, 2019 (the “**Cashless Date**”), if the Weighted Average Price of the Common Stock on any single Trading Day on or after the Cashless Date and prior to the date of such Cashless Exercise fails to exceed the Exercise Price in effect as of the date hereof (subject to adjustment for any stock splits, stock dividends, stock combinations, recapitalizations and similar events) in which event, in lieu of the formula below, the aggregate number of 15-Month Warrant Shares issuable in such cashless exercise pursuant to any given Exercise Notice electing to effect a Cashless Exercise shall equal the product of (x) the aggregate number of 15-Month Warrant Shares for which the 15-Month Warrants are exercised as if such exercise were by means of a cash exercise rather than a Cashless Exercise and (y) 0.80; (ii) subject only to the Warrant Abeyance (as defined below), at any time during the term of this Warrant Agreement, and (iii) subject only to the Warrant Abeyance (as defined below), automatically, without any further action required by the registered holder, immediately prior to 5:00 p.m. on the Expiration Date, if not exercised for cash pursuant to Section 3.3.1 hereof prior to such time, then the Warrants may also be exercised, in whole or in part, at such time by means of a “cashless exercise” in which the holder shall be entitled to receive a number of Warrant Shares determined according to the following formula (a “**Cashless Exercise**”):”

- d. Current Section 3.3.10 is hereby amended and restated to include the terms of abeyance in a second paragraph and a carveout from the limitations for BioLexis Pte. Ltd. in a third paragraph as follows:

“3.3.10 Notwithstanding anything herein to the contrary, in the event that the exercise in full of the Warrants, pursuant to the automatic net exercise provision of Section 3.3.8 herein, would cause such Holder to exceed the Maximum Percentage, the Company shall only issue such number of shares of Common Stock to such Holder that would not cause the Holder to exceed the Maximum Percentage with the balance to be held in abeyance until written notice from the Holder that the balance (or portion thereof) may be issued in compliance with the Maximum Percentage (the “**Warrant Abeyance**”).

Notwithstanding anything herein to the contrary, BioLexis Pte. Ltd., a Holder, shall not be subject to the restrictions on beneficial ownership provided in this paragraph 3.3.10.”

For the avoidance of doubt, other than adding the second and third paragraphs, Section 3.3.10, as amended, shall not otherwise be affected.

2. Counterparts. This Amendment may be executed in any number of original or facsimile counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment #2 to be duly executed as of the date first above written.

COMPANY:

Outlook Therapeutics, Inc.

By: /s/ Lawrence A. Kenyon

Name: Lawrence A. Kenyon

Title: President, CEO and CFO

WARRANT AGENT:

American Stock Transfer & Trust Company, LLC

By: /s/ Michael Legregrin

Name: Michael Legregrin

Title: Senior Vice President

[Signature Page to Amendment #2 to Warrant Agreement]



Outlook Therapeutics Announces Warrant Amendment and Restructuring of Senior Secured Notes in Separate Transactions

CRANBURY, N.J., December 23, 2019 — Outlook Therapeutics, Inc. (NASDAQ: OTLK) (the “Company”), a late clinical-stage biopharmaceutical company working to develop the first FDA-approved ophthalmic formulation of bevacizumab for use in retinal indications, today announced that it has taken action to improve the Company’s balance sheet through two separate transactions.

Effective December 23, 2019, with consent of the required holders of the Outlook Therapeutics warrants issued in April 2019 (the “Warrants”) in an underwritten public offering, the Company amended the Warrants to reduce the exercise price to \$0.232 per warrant and allow for the immediate exercise of the Warrants. In addition, the expiration date of the Warrants has been changed to 5:00 pm EST on December 24, 2019. All Warrants not exercised by the new termination date will be automatically settled on a cashless exercise basis immediately prior thereto. The transaction was done to eliminate the Warrants as they included anti-dilution protection, which negatively impacted the ability of Outlook Therapeutics to raise additional funds. H.C. Wainwright & Co. acted as the exclusive financial advisor for this transaction.

Separately, effective December 20, 2019, the Company issued approximately \$7.6 million principal amount of new senior secured notes (the “New Notes”) in exchange for approximately \$7.3 million principal amount and accrued interest on its outstanding senior secured notes (the “Old Notes”) that were due on December 22, 2019 and originally issued in December 2016. The New Notes bear interest at a rate of 12% per annum, have a maturity date of December 31, 2020, with the ability to extend at the Company’s option to June 30, 2021 for an additional fee equal to 3% of the outstanding balance, and are convertible into shares of the Company’s common stock beginning April 1, 2020.

The senior secured note exchange was exempt from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 3(a)(9) thereof.

Other material terms related to the warrant amendment, senior note exchange agreement and terms of the New Notes can be found in the Company’s current report on Form 8-K, which will be filed with the Securities and Exchange Commission.

This news release shall not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Warrants, New Notes or the securities underlying such Warrants or New Notes in any state or jurisdiction in which such offer, solicitation or sale would be unlawful, prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Outlook Therapeutics, Inc.

Outlook Therapeutics is a late clinical-stage biopharmaceutical company working to develop the first FDA-approved ophthalmic formulation of bevacizumab for use in retinal indications, including wet AMD, DME and BRVO. If ONS-5010, its investigational ophthalmic formulation of bevacizumab, is approved, Outlook Therapeutics expects to commercialize it as the first and only on-label approved ophthalmic formulation of bevacizumab for use in treating retinal diseases in the United States, Europe, Japan and other markets. Outlook Therapeutics is listed on the Nasdaq Capital Market (NASDAQ: OTLK). For more information, please visit www.outlooktherapeutics.com.

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