Outlook Therapeutics, Inc. Logo

Outlook Therapeutics® Announces Closing of Private Placement of up to $159 Million

March 18, 2024

ISELIN, N.J., March 18, 2024 (GLOBE NEWSWIRE) -- Outlook Therapeutics, Inc. (Nasdaq: OTLK), a biopharmaceutical company working to achieve the first approval for an ophthalmic formulation of bevacizumab for the treatment of retinal diseases in the US and the EU, today announced that it has closed its previously announced private placement, for upfront gross proceeds of approximately $60 million from the issuance and sale of shares of the Company's common stock and accompanying warrants, before deducting placement agent fees and offering expenses. Outlook Therapeutics has the potential to receive additional gross proceeds of up to $99 million upon the full cash exercise of the warrants issued in the private placement, before deducting placement agent fees and offering expenses.

The private placement was led by Great Point Partners, LLC, with participation from existing investor GMS Ventures as well as new investors Altium Capital, Armistice Capital, Caligan Partners LP, Schonfeld Strategic Advisors, Sphera Healthcare, Velan Capital, Woodline Partners LP, and an undisclosed life sciences dedicated investor.

BofA Securities and BTIG acted as co-placement agents in connection with the financing.

About the Private Placement

Pursuant to the securities purchase agreement entered into on January 22, 2024, Outlook Therapeutics issued to purchasers in the private placement an aggregate of 8,571,423 shares of common stock and accompanying warrants to purchase an aggregate of 12,857,133 shares of common stock, at a price of $7.00 per share and accompanying warrant to purchase one and one-half shares of common stock. The warrants have an exercise price of $7.70 per share and are exercisable only for cash until their expiration on the fifth anniversary of the issuance date. The warrants include a feature that allows Outlook Therapeutics to require holders to cash exercise the warrants if certain stock price and milestone conditions are met.

All of the securities in the private placement were offered by the Company.

Outlook Therapeutics intends to use the net proceeds from the private placement to fund its ONS-5010 clinical development programs, including the ongoing NORSE EIGHT clinical trial, and for working capital and other general corporate purposes.

As previously disclosed, Outlook Therapeutics also entered into a securities purchase agreement with Syntone Ventures, another existing stockholder, to purchase $5 million in shares of common stock and warrants on the same terms as the private placement. The closing of the Syntone investment remains subject to receipt of regulatory approvals and other customary closing conditions.

The offer and sale of the foregoing securities were made by Outlook Therapeutics in a private placement under Section 4(a)(2) of the Securities Act of 1933, as amended (the "Act"), and/or Regulation D promulgated thereunder, and such securities have not been registered under the Act or applicable state securities laws. Accordingly, such securities may not be offered or sold in the United States except pursuant to an effective registration statement or an applicable exemption from the registration requirements of the Act and such applicable state securities laws. Outlook Therapeutics has agreed to file a resale registration statement with the U.S. Securities and Exchange Commission for purposes of registering the resale of the common stock issued or issuable in connection with the private placement.

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

About ONS-5010 / LYTENAVA™ (bevacizumab-vikg, bevacizumab gamma)

ONS-5010/LYTENAVA™ is an investigational ophthalmic formulation of bevacizumab under development as an intravitreal injection for the treatment of wet AMD and other retinal diseases. Because no FDA or European Commission approved ophthalmic formulations of bevacizumab are available currently, clinicians wishing to treat retinal patients with bevacizumab have had to use repackaged IV bevacizumab provided by compounding pharmacies—products that have known risks of contamination and inconsistent potency and availability. If approved, ONS-5010/LYTENAVA™ would provide an approved option for physicians to treat wet AMD.

Bevacizumab-vikg/bevacizumab gamma is a recombinant humanized monoclonal antibody (mAb) that selectively binds with high affinity to all isoforms of human vascular endothelial growth factor (VEGF) and neutralizes VEGF's biologic activity through a steric blocking of the binding of VEGF to its receptors Flt-1 (VEGFR-1) and KDR (VEGFR-2) on the surface of endothelial cells. Following intravitreal injection, the binding of bevacizumab-vikg to VEGF prevents the interaction of VEGF with its receptors on the surface of endothelial cells, reducing endothelial cell proliferation, vascular leakage, and new blood vessel formation in the retina.

About Outlook Therapeutics, Inc.

Outlook Therapeutics is a biopharmaceutical company working to achieve FDA and European Commission approval for the launch of ONS-5010/ LYTENAVA™ (bevacizumab-vikg or bevacizumab gamma) as the first approved ophthalmic formulation of bevacizumab for use in retinal indications, including wet AMD, DME and BRVO. If ONS-5010 ophthalmic bevacizumab is approved, Outlook Therapeutics expects to commercialize it as the first and only FDA and/or EC approved ophthalmic formulation of bevacizumab for use in treating retinal diseases in the United States, EU, United Kingdom, Europe, Japan, and other markets. As part of the Outlook Therapeutics' multi-year commercial planning process, Outlook Therapeutics and Cencora entered into a strategic commercialization agreement to expand the Outlook Therapeutics' reach for connecting to retina specialists and their patients. Cencora will provide third-party logistics (3PL) services and distribution, as well as pharmacovigilance services and other services in the United States.

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,” “believe,” “continue,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “target,” “will,” or “would” the negative of terms like these or other comparable terminology, and other words or terms of similar meaning. These include, among others, the private placement, including expected proceeds from the exercise of the warrants and uses of proceeds, expectations concerning the relationship with Cencora and the benefits and potential expansion thereof, 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, the content and timing of decisions by the FDA, as well as those risks detailed in Outlook Therapeutics’ filings with the Securities and Exchange Commission (the SEC), including the Annual Report on Form 10-K for the fiscal year ended September 30, 2023, filed with the SEC on December 22, 2023, and future quarterly reports Outlook Therapeutics files with the SEC, which include uncertainty of market conditions and future impacts related to macroeconomic factors, including as a result of the ongoing overseas conflict, high interest rates, inflation and potential future bank failures on the global business environment. 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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