

Lattice Biologics Ltd. Announces Initial Recruitment of Patients for a Phase 1 Clinical Trial to Assess Safety and Efficacy of AmnioBoost for Treatment of COVID-19

BELGRADE, Mont.--(BUSINESS WIRE)--March 17, 2020--Lattice Biologics Ltd. (TSX-V: LBL) (OTCBB: LBLTF) ("Lattice Biologics" or the "Company") announces it has begun enrolling patients in its Phase 1 clinical trial to address safety and efficacy of its novel stem cell technology, AmnioBoost, for the treatment of severe acute respiratory syndrome (SARS) related to COVID-19 infection.

AmnioBoost is derived from amniotic fluid taken from non-related, healthy, living donors during a Caesarian delivery. The baby is not harmed in any way.

To be eligible for the U.S. trial, individuals must have laboratory confirmed infection with COVID-19 and evidence of lung involvement requiring supplemental oxygen or mechanical ventilation. The study will not enroll individuals with mild symptoms or individuals who are asymptomatic.

All potential patients will undergo a physical exam, participants will then be randomized into the investigational group or the placebo group. Individuals enrolled into the investigational group will receive ~ 5 million stem cells of AmnioBoost on the first day of enrollment and will receive another ~ 5 million stem cells on the second day of enrollment.

Clinicians will monitor the patients' temperature, blood pressure, need for supplemental oxygen, and other factors daily to determine daily scores based on a scale of clinical outcomes.

In the initial stage of investigation, the clinicians will compare participant outcomes on day seven in both groups to assess if AmnioBoost treatment has produced any clinical benefit.

The study will be halted if there is no evidence of a treatment difference between AmnioBoost and placebo.

Initial patient enrollment in the trial will be limited to 10 patients and conducted in the Seattle area, as it is one of the most concentrated areas of COVID -19 infection in the United States.

"We thank the patients in advance for their participation in this cost free to the patient trial. We look forward to using a novel technology in the treatment of this highly infectious disease and to make sure the trial is carried out in the most effective manner possible," said Guy Cook, CEO of Lattice Biologics Ltd.

In addition, the Company announces that it was named in a statement of claim filed January 2019 by Cheryl Farmer, the former Chief Financial Officer of the Company, for wrongful dismissal in the amount of \$2.5 million USD. The Company and the plaintiff have come to a satisfactory resolution and Lattice Biologics trusts that Ms. Farmer will have success in her future endeavors.

The Company reserved \$600,000 Canadian in its most recent audited financial statements. The settlement includes a severance payment of \$100,000 to be paid over 9 months, and 18 million shares at \$.05 Canadian. The shares are subject to TSX approval, and all regulatory restrictions.

Further, the Company has arranged a non-brokered private placement of up to 10 million units ("Units") at a price of \$0.10 per Unit for aggregate gross proceeds of \$1,000,000 (the "Offering"). Each Unit will be comprised of one common share ("Share") and one-half transferable Share purchase warrant of the Company ("Warrant"). Each full Warrant will entitle the Subscriber to purchase one Warrant Share for a 24 month period after the Closing Date at an exercise price of \$0.10 per share. Proceeds raised from the Offering will be used for the expansion of its stem cell technology to address COVID-19. Finders' fees may be payable on the private placement, subject to the policies of the TSX Venture Exchange.

This offering is subject to TSX Venture Exchange acceptance and expected to close March 30, 2020.

The Company also announces that its Board of Directors has today approved the grant of 3 million stock options to directors, and 6 million shares to employees and consultants, which are exercisable into common shares of LBL.V at a price of \$0.075 per common share in accordance with TSX Policy 4.4, subject to the rules of the TSX Venture Exchange and the Corporation's Stock Option Plan. The options have a term of five years and will expire on March 16, 2025.

About Lattice Biologics Ltd.:

Lattice Biologics is traded on the TSX-V under the symbol: LBL. The Company is an emerging personalized/precision medicine leader in the field of cellular therapies and tissue engineering, with a focus on bone, skin, and cartilage regeneration.

Lattice Biologics develops and manufactures biologic products to domestic and international markets. The Company's products are used in a variety of surgical applications.

Lattice Biologics maintains its headquarters, laboratory and manufacturing facilities in Belgrade, Montana as well as offices in Phoenix, Arizona. The facility includes ISO Class 1000 and ISO Class 100 clean rooms, and specialized equipment capable of crafting traditional allografts and precision specialty allografts for various clinical applications. The Lattice Biologics team includes highly trained tissue bank specialists, surgical technicians, certified sterile processing and distribution technicians, and CNC operators who maintain the highest standards of aseptic technique throughout each step of the manufacturing process. From donor acceptance to the final packaging and distribution of finished allografts, Lattice is committed to maintaining the highest standards of allograft quality, innovation, and customer satisfaction.

Lattice Biologics maintains all necessary licensures to process and sell its tissue engineered products within the U.S. and internationally. This includes Certificates to Foreign Governments from the U.S. Food and Drug Administration (FDA) and registrations for 29 countries, which allow the export of bone, tendon, meniscus, ligament, soft tissue, and cartilage products outside of the U.S.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Statement on Forward-Looking Information:

Certain information contained in this news release constitutes "forward-looking statements" within the meaning of the 'safe harbour' provisions of Canadian securities laws. All statements herein, other than statements of historical fact, are to be considered forward looking. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "planned", "potential", "future", "expected", "could", "possible", "goal", "intends", "will" or similar expressions. Forward-looking statements in this news release include, without limitation: information pertaining to the Company's strategy, plans, or future financial performance, such as statements with respect to the Transaction, and other statements that express management's expectations or estimates of future performance. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Lattice to be materially different from those expressed or implied by such forward-looking statements.

Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by management as of the date such statements are made, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The factors and assumptions that could prove to be incorrect, include, but are not limited to: that market prices will be consistent with expectations, the continued availability of capital and financing, and that general economic, market and business conditions will be consistent with expectations. The forward-looking statements are not guarantees of future performance. We disclaim any obligation to update or revise any forward-looking statements, except as required by law. Readers are cautioned not to put undue reliance on these forward-looking statements.

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