

# Lattice Biologics Signs Definitive Agreement with Alumina Partners for \$6 Million At-Will Offering Facility

BELGRADE, Mont.--(BUSINESS WIRE)--April 7, 2020--Lattice Biologics Ltd. (TSX-V: LBL) (OTCBB: LBLTF) ("Lattice Biologics" or the "Company") is pleased to announce that it has entered into a definitive agreement (the "Agreement") with Alumina Partners (Ontario) Ltd. ("Alumina") for a commitment of up to \$6,000,000 CDN (six million dollars) in an at-will offering facility (the "Facility"). This facility replaces the previously announced private placement announced on March 17<sup>th</sup>, 2020.

Pursuant to the terms of the Agreement, for a period of twenty four months the Company has the right to draw down on the Facility, at any time, at its sole election, in equity private placement tranches of up to \$1,000,000. Each tranche will be comprised of units ("Units") with each Unit consisting of one common share ("Share") and one common share purchase warrant ("Warrant"), at discounts between 15-25% of the closing price of the shares on the day prior to Lattice Biologics' drawdown notice to Alumina.

The exercise price of the Warrants will be at a 25% premium over the market price at the time of issuance and have a term of three years. Further, the Warrants will also contain a provision for accelerated expiry should Lattice Biologics' Shares trade on the TSX-V, for a period of 10 consecutive trading days, at a premium of at least 200% above the warrant exercise price.

This Facility will provide additional financial flexibility for Lattice Biologics as it accelerates its growth to support Phase 1 trials for its stem cell-based treatment of COVID-19. The expected capital allocation to secure Phase 1 approval is \$1 million. The initial tranche can be up to \$1,000,000 and is subject to TSX approval. Subsequent transactions are also subject to TSX approval. The minimum price for any financing under the facility is the Discounted Market Price allowable under TSXV policies at the time of the announcement which could range from 15-25%.

The terms of the Facility are structured so that funds may be drawn on an as needed basis, allowing Lattice Biologics to finance as it achieves clinical milestones. There are no transaction fees associated with the facility, no minimum amounts that must be drawn down and no penalties in the event that Lattice Biologics elects not to draw upon the facility.

Guy Cook, Lattice Biologics' CEO, commented: "We are excited to enter into this facility with Alumina Partners which will support our Phase I trials. I am delighted that the principals of Alumina share our vision of novel stem cell-based therapeutics. The capital will help fuel our growth at a critical juncture."

“We are thrilled to invest in Lattice as they embark upon Phase I trials of AmnioBoost,” said Adi Nahmani, Managing Member of Alumina Partners. “As medical science struggles to identify safe and effective treatment candidates for COVID-19, every avenue must be explored with all due haste. AmnioBoost is ready for clinical trials, and we look forward to seeing a fully capitalized Lattice move that ball forward.”

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## **About Lattice Biologics Ltd.:**

### ***IMPORTANT RISK FACTORS ASSOCIATED WITH LATTICE BIOLOGICS***

*Our business is at an early stage of development and we may not develop therapeutic products that can be commercialized.*

*We do not have any products in late stage clinical trials. We are still in the early stages of identifying and conducting research on potential therapeutic products. Our potential therapeutic products will require significant research and development and pre-clinical and clinical testing prior to regulatory approval in the United States and other countries.*

**We may not be able to obtain regulatory approvals, enter new and later stage clinical trials for any of our product candidates, or commercialize any products.**

*Our product candidates may prove to have undesirable and unintended side effects or other characteristics adversely affecting their safety, efficacy or cost effectiveness that could prevent or limit their use. Any product using any of our technology may fail to provide the intended therapeutic benefits, or achieve therapeutic benefits equal to or better than the standard of treatment at the time of testing or production. We have expended substantial funds to develop our technologies, products and product candidates. Based on our financial condition, recurring losses and projected spending, which raise substantial doubts about our ability to continue as a going concern, our independent registered public accounting firm included an explanatory paragraph in its report on our consolidated financial statements as of and for the year ended September 30<sup>th</sup>, 2019 regarding this uncertainty. The inclusion of the going concern statement by our auditors may adversely affect our stock price and our ability to raise needed capital or enter into advantageous contractual relationships with third parties.*

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.*

*United States Advisory: The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered, sold, or resold in the United States or to, or for the account of or benefit of, a U.S. Person (as such term is defined in Regulation S under the U.S. Securities Act) unless an exemption from the registration requirements of the U.S. Securities Act is available. This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in the state in the United States in which such offer, solicitation or sale would be unlawful.*

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