OSE Immunotherapeutics Enters a Loan Agreement of up to €25 Million with the European Investment Bank

- This loan will further support the progress and expansion of OSE Immunotherapeutics' lead clinical development programs in diseases with high unmet medical needs,
- Divided into three tranches including two tranches of €10 million each and a third tranche of €5 million,
- Agreement part of the European Investment Bank's strategy to support biotech companies developing a high-level of expertise in various areas such as OSE's immunotherapy programs, including its vaccine program against SARS-CoV-2.

Nantes, France, February 15, 2021 7:30AM CET – OSE Immunotherapeutics (ISIN: FR0012127173; Mnemo: OSE) today announced that the Company has signed a loan agreement of up to €25 million with the European Investment Bank (EIB).

The loan facility of up to €25 million is divided into three tranches including two tranches of €10 million each and a third tranche of €5 million.

The first €10 million tranche, unconditional and which OSE will request payment before the end of May 2021, will help expand the clinical development of Tedopi® in combination with a checkpoint inhibitor in additional cancer indications. This first tranche will also support the entry into Phase 1/2 of OSE-279, OSE's proprietary anti-PD-1 antibody, in a niche oncology indication. This development of OSE-279 will allow OSE Immunotherapeutics to have its own proprietary anti-PD-1 antibody and leverage it across OSE's product portfolio in combination with other drug candidates. Moreover, OSE-279 is the key anti-PD-1 backbone component of the bifunctional checkpoint inhibitor BiCKI® platform, targeting PD-1 and other innovative targets, paired with novel immunotherapy targets.

The remaining two tranches of €10 and €5 million, available upon achievement of specific clinical milestones, are planned to be used to accelerate the clinical development of the Company's other programs, in particular CD28 antagonist FR104 and new anti-ChemR23 agonist OSE-230.

Alexis Peyroles, Chief Executive Officer of OSE Immunotherapeutics, comments: *"We are very grateful for EIB's support, a major financial European institution, as the Company is at an inflection point of its growth. The first €10 million tranche allows OSE to extend its financial visibility to Q2 2022. This new flexible funding tool will help expand and accelerate the development of our clinical stage portfolio and explore new therapeutic indications with strong medical need, reinforcing OSE's status as a key global player in immunotherapy."*

Ambroise Fayolle, Vice-President of the EIB, explains*: "The EIB is pleased to announce its support of OSE, a biotech combining a high level of research and innovation, highly qualified collaborators and cutting-edge expertise in the field of monoclonal and bispecific antibodies*. *The portfolio of products under development in various therapeutic areas such as immuno-oncology, autoimmune diseases and a vaccine project against SARS-CoV-2, means that OSE Immunotherapeutics is a potential major player in the health sector. This project is fully in line with the mandate set for the EIB by its shareholders - the EU Member States - to support innovation across Europe".*

This loan will carry a fixed interest of 5% per year paid annually, with a maturity of five years (each drawdown is treated separately in terms of maturity). The repayment of each tranche will therefore be made at the end of a period of five years after the date of disbursement of the said tranche.

The loan agreement is supplemented by an agreement to issue warrants to the EIB for the first two tranches of the financing, in particular 850,000 warrants for the first tranche to be issued when drawn. 550,000 additional warrants could be issued if the second tranche of €10 million is drawn by OSE Immunotherapeutics.

Each warrant will give the right to subscribe to one ordinary share of OSE Immunotherapeutics at the subscription price of €0.01 and at the exercise price calculated on the basis of the volume-weighted average of the 3 trading days preceding the pricing (which will take place at the end of May 2021), with a discount of 2.5%.

The warrants will be exercisable for a period of 12 years.

Subject to certain customary exceptions, the warrants will only be exercisable after a five-year period starting from the drawdown of the relevant tranche, thus limiting the impact in terms of dilution and volatility in the coming years.

The warrant agreement includes an exercise parity adjustment clause which could apply, under certain conditions, in case of capital increase. The EIB will be granted with the possibility, under certain conditions, to request OSE Immunotherapeutics to buy back its warrants for a maximum amount of €15 million and, beyond that amount, to find a buyer and pay interests on the price of the remaining warrants.

ABOUT THE EUROPEAN INVESTMENT BANK

The EIB is the European Union (EU) long-term financing institution and its shareholders are the 27 EU Member States. Its mission is to contribute to the integration, balanced development and economic and social cohesion of EU Member States. It borrows large volumes of funds from the capital markets and lends them with very favorable terms to support projects which contribute to the achievement of EU objectives. The EIB is working to put the EU at the forefront of the next wave of innovation, especially in the health sector. In response to the Covid-19 health crisis, the EIB has released € 6 billion for investments in the health sector to support medical infrastructure, additional research activities or other financing related to vaccines and treatments. As a European bank supporting the climate, the EIB is one of the main fund providers in the green transition towards a more low-carbon and sustainable growth model.

ABOUT OSE Immunotherapeutics

OSE Immunotherapeutics is an integrated biotechnology company focused on developing and partnering therapies to control the immune system for immuno-oncology and autoimmune diseases. The company's immunology research and development platform is focused on three areas: T-cell-based vaccination, Immuno-Oncology (focus on myeloid targets), Auto-immunity & Inflammation. Its balanced first-in-class clinical and preclinical portfolio has a diversified risk profile:

Vaccine platform

- **Tedopi®** (innovative combination of neoepitopes): the company's most advanced product; positive results for Step-1 of the Phase 3 trial (Atalante 1) in Non-Small Cell Lung Cancer post checkpoint inhibitor failure.
  In Phase 2 in pancreatic cancer (TEDOPaM, sponsor GERCOR) in combination.
  Due to the COVID-19 crisis, accrual of new patients in TEDOPaM should restart in 2021.
- **CoVepiT**: a prophylactic second generation vaccine against COVID-19, developed using SARS-CoV-2 optimized epitopes against multi variants. Positive preclinical and human ex vivo results in August 2020, clinical trial expected to start in Q1 2021.

Immuno-oncology platform

- **BI 765063** (OSE-172, anti-SIRPα mAb on SIRPα/CD47 pathway): developed in partnership with Boehringer Ingelheim; myeloid checkpoint inhibitor in Phase 1 in advanced solid tumors.
- **CLEC-1** (novel myeloid checkpoint target): identification of mAb antagonists of CLEC-1 blocking the "Don't Eat Me" signal that increase both tumor cell phagocytosis by macrophages and antigen capture by dendritic cells.
- **BiCKI®**: bispecific fusion protein platform built on the key backbone component anti-PD-1 (OSE-279) combined with new immunotherapy targets; 2nd generation of PD-(L)1 inhibitors to increase antitumor efficacity.

Auto-immunity and inflammation platform

- **FR104** (anti-CD28 monoclonal antibody): positive Phase 1 results; ongoing Phase 1/2 in renal transplant, Phase 2-ready asset in a niche indication in autoimmune diseases.
- **OSE-127/S95011** (humanized monoclonal antibody targeting IL-7 receptor): developed in partnership with Servier; positive Phase 1 results; in Phase 2 in ulcerative colitis (OSE sponsor) and an independent Phase 2 planned in Sjögren's syndrome (Servier sponsor).
- **OSE-230** (ChemR23 agonist mAb): first-in-class therapeutic agent with the potential to resolve chronic inflammation by driving affected tissues to tissue integrity.

For more information:
Click and follow us on Twitter and LinkedIn

Contacts

OSE Immunotherapeutics
Sylvie Détry
Sylvie.detry@ose-immuno.com
+33 153 198 757

French Media: FP2COM
Florence Portejoie
fportejoie@fp2com.fr
+33 607 768 283

U.S. Media: LifeSci Communications
Darren Opland, Ph.D.
darren@lifescicomms.com
+1 646 627 8387

U.S. and European Investors
Chris Maggos
chris@lifesciadvisors.com
+41 79 367 6254

BEI
Christophe Alix
c.alix@eib.org
+33 6 11 81 30 99

Forward-looking statements

This press release contains express or implied information and statements that might be deemed forward-looking information and statements in respect of OSE Immunotherapeutics. They do not constitute historical facts. These information and statements include financial projections that are based upon certain assumptions and assessments made by OSE Immunotherapeutics' management in light of its experience and its perception of historical trends, current economic and industry conditions, expected future developments and other factors they believe to be appropriate.

These forward-looking statements include statements typically using conditional and containing verbs such as "expect", "anticipate", "believe", "target", "plan", or "estimate", their declensions and conjugations and words of similar import. Although the OSE Immunotherapeutics management believes that the forward-looking statements and information are reasonable, the OSE Immunotherapeutics' shareholders and other investors are cautioned that the completion of such expectations is by nature subject to various risks, known or not, and uncertainties which are difficult to predict and generally beyond the control of OSE Immunotherapeutics. These risks could cause actual results and developments to differ materially from those expressed in or implied or projected by the forward-looking statements. These risks include those discussed or identified in the public filings made by OSE Immunotherapeutics with the AMF. Such forward-looking statements are not guarantees of future performance. This press release includes only summary information and should be read with the OSE Immunotherapeutics Universal Registration Document filed with the AMF on 15 April 2020, including the annual financial report for the fiscal year 2019, available on the OSE Immunotherapeutics' website. Other than as required by applicable law, OSE Immunotherapeutics issues this press release at the date hereof and does not undertake any obligation to update or revise the forward-looking information or statements.