



Surrozen Announces up to \$192.5 Million Private Placement of Securities Priced At-the-Market Under Nasdaq Rules

April 1, 2024

- \$17.5 million upfront proceeds with up to an additional \$175 million of proceeds upon the exercise of warrants
- Initial capital funds expansion of Phase 1b trial in severe alcohol-associated hepatitis and extends cash runway
- Phase 1b data in expanded study expected in 1H 2025

SOUTH SAN FRANCISCO, Calif., April 01, 2024 (GLOBE NEWSWIRE) -- [Surrozen, Inc.](#) ("Surrozen" or the "Company") (Nasdaq: SRZN, SRZNW), a company pioneering targeted therapeutics that selectively activate the Wnt Pathway for tissue repair and regeneration, today announced that it has entered into securities purchase agreements with certain institutional and accredited investors to purchase shares of common stock, pre-funded warrants and accompanying warrants to purchase shares of common stock. If the warrants to purchase common stock are exercised in full, the private placement would provide approximately \$192.5 million in gross proceeds and result in the issuance of approximately 12.2 million shares of common stock. The private placement was priced "at-the-market" under the rules and regulations of The Nasdaq Stock Market LLC. The private placement is expected to close on or about April 4, 2024, subject to customary closing conditions.

At the closing, the Company will issue to the investors 1,089,033 shares of common stock and pre-funded warrants to purchase 40,000 shares of common stock, at a purchase price of \$15.50 and \$15.4999, respectively, for aggregate gross proceeds of approximately \$17.5 million, before deducting placement agent fees and other expenses payable by the Company. Each pre-funded warrant has an exercise price of \$0.0001 per share, is exercisable immediately and will not expire until exercised in full. The purchase price per share and per pre-funded warrant includes \$1.25, in accordance with the rules and regulations of The Nasdaq Stock Market LLC, for the following accompanying common stock warrants:

- Series A common stock warrants to purchase up to 1,129,033 shares of common stock with an exercise price of \$15.50 per share, for aggregate gross proceeds of up to approximately \$17.5 million, exercisable immediately upon issuance for 5 years.
- Series B common stock warrants to purchase up to 1,228,071 shares of common stock with an exercise price of \$14.25 per share, for aggregate gross proceeds of up to approximately \$17.5 million, exercisable immediately upon issuance until the fifth trading day following the Company's announcement that (i) it has completed the enrollment of at least 15 patients with a 30-day mortality rate less than 30% in the Company's SZN-043 Phase 1b clinical trial for the treatment of severe alcohol-associated hepatitis, with no recommended changes by the Safety Review Committee to the study design, including changes related to dose or schedule, and (ii) Safety Review Committee approval for the Company to advance to a higher dose cohort.
- Series C common stock warrants to purchase up to 4,375,000 shares of common stock with an exercise purchase price of \$16.00 per share, for aggregate gross proceeds of up to approximately \$70 million, exercisable for 30 days following the Company's announcement of final data from the SZN-043 phase 1b clinical trial for the treatment of severe alcohol-associated hepatitis.
- Series D common stock warrants to purchase up to 4,375,000 shares of common stock with an exercise price of \$16.00 per share, for aggregate gross proceeds of up to approximately \$70 million, exercisable for 30 days following the Company's announcement of the enrollment of at least 50 patients in the SZN-043 Phase 2/3 clinical trial for the treatment of severe alcohol-associated hepatitis.

The private placement includes participation from new and existing investors, including RA Capital Management, The Column Group, Nantahala Capital, Stonepine Capital Management, and StemPoint Capital, in addition to other life sciences investors.

In addition, members of management will purchase an additional 2,948 shares of common stock at \$16.96 per share, together with the accompanying warrants.

Cooley LLP is advising Surrozen with respect to the private placement.

Guggenheim Securities, LLC is acting as sole placement agent for the private placement and is being advised by Mintz, Levin, Cohn, Ferris, Glovsky, and Popeo, P.C.

The Company intends to use the net proceeds from the private placement to fund the SZN-043 clinical development program, including the expansion of the SZN-043 Phase 1b clinical trial for the treatment of severe alcohol-associated hepatitis to 30 patients, and for other general corporate purposes. The net proceeds from the closing of the private placement (before the exercise of any warrants), combined with current cash, cash equivalents and marketable securities, is expected to fund the Company's operating and capital expenditures through the first half of 2025.

The securities being sold in the private placement have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or the

securities laws of any state, and 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 Securities Act. Surrozen has agreed to file a registration statement with the Securities and Exchange Commission registering the resale of the shares of common stock and shares of common stock issuable upon the exercise of the warrants issued in the private placement within 15 days of the closing.

This press release does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sales of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such jurisdiction.

About Wnt Signaling

Wnt signaling plays key roles in the control of development, homeostasis, and regeneration of many essential organs and tissues, including liver, intestine, lung, kidney, retina, central nervous system, cochlea, bone, and others. Modulation of Wnt signaling pathways has potential for treatment of degenerative diseases and tissue injuries. Surrozen's platform and proprietary technologies have the potential to overcome the limitations in pursuing the Wnt pathway as a therapeutic strategy.

About Surrozen

Surrozen is a clinical stage biotechnology company discovering and developing drug candidates to selectively modulate the Wnt pathway. Surrozen is developing tissue-specific antibodies designed to engage the body's existing biological repair mechanisms with a current focus on severe liver and eye diseases. For more information, please visit www.surrozen.com.

Cautionary Statement Regarding Forward Looking Statements

This press release contains certain forward-looking statements that involve substantial risks and uncertainties for purposes of the safe harbor provided by the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this press release regarding expected future events including the expected closing of the private placement; the receipt of additional gross proceeds if the accompanying common warrants are exercised in full; the achievement of clinical trial enrollment goals; the Company's intended use of the proceeds from the private placement; the Company's expectation that the net proceeds from the closing of the private placement (before the exercise of any warrants), combined with its current cash, cash equivalents and marketable securities, will fund its operating and capital expenditures through the first half of 2025; and the Company's strategy, future operations, future financial position, projected expenses, expected timing and results of clinical trials, prospects, plans and objectives of management are forward-looking statements. Forward-looking statements generally are accompanied by words such as "will," "plan," "intend," "potential," "expect," "could," or the negative of these words and similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These statements are based on various assumptions, whether or not identified in this press release, and on the current expectations of the management of Surrozen and are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on as a guarantee, an assurance, a prediction, or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of Surrozen. These forward-looking statements are subject to a number of risks and uncertainties, including the initiation, cost, timing, progress and results of research and development activities, preclinical or and clinical trials with respect to SZN-043, SZN-413 and potential future product candidates; the Company's ability to fund its preclinical and clinical trials and development efforts, whether with existing funds or through additional fundraising; Surrozen's ability to identify, develop and commercialize drug candidates; Surrozen's ability to successfully complete preclinical and clinical studies for SZN-043, SZN-413, or other future product candidates; the effects that arise from volatility in global economic, political, regulatory and market conditions; and all other factors discussed in Surrozen's Annual Report on Form 10-K for the year ended December 31, 2022 and Surrozen's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 under the heading "Risk Factors," and other documents Surrozen has filed, or will file, with the Securities and Exchange Commission. If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that Surrozen presently does not know, or that Surrozen currently believes are immaterial, that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect Surrozen's expectations, plans, or forecasts of future events and views as of the date of this press release. Surrozen anticipates that subsequent events and developments will cause its assessments to change. However, while Surrozen may elect to update these forward-looking statements at some point in the future, Surrozen specifically disclaims any obligation to do so, except as required by law. These forward-looking statements should not be relied upon as representing Surrozen's assessments of any date after the date of this press release. Accordingly, undue reliance should not be placed upon the forward-looking statements.

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