Windtree Therapeutics Announces Closing of Financing Through a Private Placement of Series C Preferred Stock

July 22, 2024

$12.9 Million Transaction Includes Approximately $3.4 Million of New Funding and a $9.5 Million Full Cancellation of Outstanding Senior Notes and Extinguishment of Series B Preferred Shares

The Company Also Established a $35 Million Equity Line of Credit

WARRINGTON, Pa., July 22, 2024 (GLOBE NEWSWIRE) -- Windtree Therapeutics, Inc. ("Windtree" or "the Company") (NasdaqCM: WINT), a biotechnology company focused on advancing early and late-stage innovative therapies for critical conditions and diseases, today announced the closing of a private placement of (i) 16,099 shares of the Company's Series C Convertible Preferred Stock, $0.001 par value (the "Series C Preferred Stock"), and (ii) warrants (the "Warrants") to acquire up to the aggregate number of 3,440,631 additional shares of the Company's common stock, $0.001 par value per share (the "Common Stock"), for aggregate gross proceeds of approximately $12.9 million, including $9.5 million through the cancellation and extinguishment of certain holders' (x) outstanding (i) 10% senior convertible notes due January 2025, (ii) senior secured notes due June 2025, (iii) senior unsecured promissory notes due July 2025, and (iv) senior secured notes due July 2025, and (y) 5,500 shares of the Company's Series B Convertible Preferred Stock. The Warrants will have an exercise price of $4.11 per share, subject to customary adjustments, will become exercisable on the six month and one day anniversary of the issuance date (the "Initial Exercisability Date"), and expire on the fifth anniversary of the Initial Exercisability Date. The Company filed a Current Report on Form 8-K with the Securities and Exchange Commission on July 22, 2024, with additional details of the transaction. The Company agreed to seek stockholder approval for the issuance of all of the shares of Common Stock issuable upon conversion of the Series C Preferred Stock and exercise of the Warrants in accordance with the rules and regulations of the Nasdaq Stock Market. The Company intends to use the gross proceeds from the private placement for working capital and general corporate purposes. Kingswood Capital Partners, LLC acted as placement agent for the transaction.

Additionally, on June 26, 2024, Windtree entered into a Common Stock Purchase Agreement with an equity line investor (the "Purchaser"), whereby the Company has the right, but not the obligation, to sell to the Purchaser, and, subject to limited exceptions, the Purchaser is obligated to purchase, up to $35 million of newly issued shares of the Company's common stock. The Company does not have a right to commence any sales of Common Stock to the Purchaser until the time when all of the conditions to the Company's right to commence sales of Common Stock to the Purchaser set forth in the Purchase Agreement have been satisfied, including that a registration statement covering the resale of such shares is declared effective by the SEC and the final form of prospectus contained therein is filed with the SEC. Actual sales of shares of Common Stock to the Purchaser under the Purchase Agreement will depend on a variety of factors to be determined by the Company from time to time, including, among others, market conditions, the trading price of the Common Stock and determinations by the Company as to the appropriate sources of funding and the Company's operations.

"We are pleased to announce this private placement and the equity line of credit as they accomplish several important objectives for the company," said Craig Fraser, CEO. "First, the private placement delivers needed capital to support company operations, including the active Phase 2b clinical trial for istaroxime in cardiogenic shock. Second, the transaction fully converted and eliminated senior notes, including senior secured notes we used as bridge financing over the past several months eliminating this debt from our balance sheet." Mr. Fraser further added, "Looking forward, the Phase 2b clinical trial in early cardiogenic shock is planned to complete enrollment in the next several weeks and report topline data by the end of this quarter. The equity line of credit, as well as the warrants that came with each newly issued share in the private placement, could potentially be utilized as additional sources of capital to fund continued development of our portfolio."

About Windtree Therapeutics

Windtree Therapeutics, Inc. is a biotechnology company focused on advancing early and late-stage innovative therapies for critical conditions and diseases. Windtree's portfolio of product candidates includes istaroxime, a Phase II candidate with SERCA2a activating properties for acute heart failure and associated cardiogenic shock, preclinical SERCA2a activators for heart failure and preclinical precision aPKCi inhibitors that are being developed for potential in rare and broad oncology applications. Windtree also has a licensing business model with partnership out-licenses currently in place.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. The Company may, in some cases, use terms such as "predicts," "believes," "potential," "proposed," "continue," "estimates," "anticipates," "expects," "plans," "intends," "may," "could," "might," "will," "should" or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. Such statements are based on information available to the Company as of the date of this press release and are subject to numerous important factors, risks and uncertainties that may cause actual events or results to differ materially from the Company's current expectations. Examples of such risks and uncertainties include: the Company's ability to secure significant additional capital as and when needed; the Company's ability to achieve the intended benefits of the aPKCi asset acquisition with Varian; risks and uncertainties associated with the success and advancement of the clinical development programs for istaroxime and the Company's other product candidates, including preclinical oncology candidates; the Company's ability to access the debt or equity markets; the Company's ability to manage costs and execute on its operational and budget plans; the results, cost and timing of the Company's clinical development programs, including any delays to such clinical trials relating to enrollment or site initiation; risks related to technology transfers to contract manufacturers and manufacturing development activities; delays encountered by the Company, contract manufacturers or suppliers in manufacturing drug products, drug substances, and other materials on a timely basis and in sufficient amounts; risks relating to rigorous regulatory requirements, including that: (i) the U.S. Food and Drug Administration or other

regulatory authorities may not agree with the Company on matters raised during regulatory reviews, may require significant additional activities, or may not accept or may withhold or delay consideration of applications, or may not approve or may limit approval of the Company's product candidates, and (ii) changes in the national or international political and regulatory environment may make it more difficult to gain regulatory approvals and risks related to the Company's efforts to maintain and protect the patents and licenses related to its product candidates; risks that the Company may never realize the value of its intangible assets and have to incur future impairment charges; risks related to the size and growth potential of the markets for the Company's product candidates, and the Company's ability to service those markets; the Company's ability to develop sales and marketing capabilities, whether alone or with potential future collaborators; the rate and degree of market acceptance of the Company's product candidates, if approved; the economic and social consequences of the COVID-19 pandemic and the impacts of political unrest, including as a result of geopolitical tension, including the conflict between Russia and Ukraine, the People's Republic of China and the Republic of China (Taiwan), and the evolving events in Israel and Gaza, and any sanctions, export controls or other restrictive actions that may be imposed by the United States and/or other countries which could have an adverse impact on the Company's operations, including through disruption in supply chain or access to potential international clinical trial sites, and through disruption, instability and volatility in the global markets, which could have an adverse impact on the Company's ability to access the capital markets. These and other risks are described in the Company's periodic reports, including its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, filed with or furnished to the Securities and Exchange Commission and available at www.sec.gov. Any forward-looking statements that the Company makes in this press release speak only as of the date of this press release. The Company assumes no obligation to update forward-looking statements whether as a result of new information, future events or otherwise, after the date of this press release.

Contact Information:

Eric Curtis
ecurtis@windtreetx.com

Source: Windtree Therapeutics