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Amarantus Enters Into Forbearance and Capital Restructuring Agreements With Holders of Secured Debt, Convertible Preferred Stock and Warrants

SAN FRANCISCO, November 17, 2017 /PRNewswire/ --

- *Restructuring creates pathway for Amarantus to seek traditional sources of capital to forward its product development programs*
- *Company enters into agreements to extinguish first-priority lien, senior secured lender debt, and raise up to $500,000 to prepare for the restart of operations*
- *CEO to present overview of Eltoprazine PD LID program as part of the Neuroscience Panel at CNS Summit 2017*

Amarantus Bioscience Holdings, Inc. (OTCPK: AMBS), a US-headquartered biotechnology holding company with wholly-owned subsidiaries developing first-in-class therapeutic products for symptomatic neurological conditions, life-threatening orphan dermatologic conditions, and orphan retinal diseases, today announced that the Company has entered into binding agreements (Binding LOIs) with holders of a controlling majority of its senior secured convertible debt (Old Debt) and convertible preferred (Old Preferred) securities to forbear default provisions in those agreements, cease the conversion into common shares of Old Debt and Old Preferred and raise up to $500,000 in new funding to prepare the Company for the restart of operations in 2018. As part of the Bindings LOIs, approximately $975,440 in first-priority lien senior secured debt (Senior Debt) held by a Manhattan-based family office will be extinguished via the periodic issuance of common shares throughout the course of the next several months. Concurrent with this announcement, the Company's CEO will be presenting an overview of its pending Phase 2b Eltoprazine program for Parkinson's disease levodopa-induced dyskinesia (PD-LID) on Saturday November 18th, 2017 at 1:30pm ET during theNeuroscience Session at CNS Summit 2017.

"We believe these agreements give the Company the opportunity to rebuild its capital base and raise the funds needed to restart operations," said Gerald E. Commissiong, CEO of Amarantus.

Forbearance and Capital Restructuring

Under the terms of the Binding LOIs, the Company has until close of business on January 10th, 2018 to complete a Tender Exchange with the holders of Senior Secured Convertible Debt issued from September 2015 to April 2016 & the warrants related thereto (Old Debt),

and holders of Series E and Series H Preferred Stock issued from November 2014 to February 2016 & the warrants related thereto (Old Preferred). Tender Exchange terms provide for:

- Old Debt and Old Preferred holders' ability to convert into common shares is fully restricted until at least the time of the Tender Exchange (January 10th, 2018);
- The proposed Tender Exchange consists of the exchange of convertible securities:
    - Old Debt into new secured convertible debt securities (New Secured Debt) at a ratio of $0.80 for every $1 in balance outstanding; and
    - Old Preferred into new unsecured notes (New Unsecured Debt) at ratio of $0.75 for every $1 in balance outstanding;
- All outstanding warrants issued in connection with the Old Debt and Old Preferred will be extinguished at the time of the Tender Exchange;
- The Binding LOIs contain certain provisions that restrict the Company's ability to enter into variable rate transactions (VRTs) with investors until at least 1 year after the Uplist;
- The Binding LOIs contain certain provisions requiring Amarantus to enter into settlement agreements with a majority of holders of the Company's outstanding accounts payable in order to complete the Tender Exchange;
- Amarantus must raise a minimum of $1.5M by the time of the Tender Exchange, inclusive of up to $500,000 in funding disclosed in this press release.

In the event the Tender Exchange occurs by January 10, 2018, the New Secured Debt and the New Unsecured Debt that will be convertible into common shares of the corporation shall be:

- Contributed to a Special Purpose Vehicle (AMBS SPV) to facilitate the orderly liquidation / monitoring of the securities issued to holders the Old Debt and Old Preferred;
- Bear 0% interest and will have an initial maturity date of nine (9) months from the date of the Tender Exchange, with such maturity to be extended upon listing of the Company's common stock onto the NYSE or NASDAQ (Uplist);
- The New Secured Debt and New Unsecured Debt will not be convertible into common shares for the period of time from the Tender Exchange until the Uplist;
- At the time of the Uplist, the security interest provided for in the New Secured Notes shall be rescinded;
- The New Secured Debt and New Unsecured Debt held by the AMBS SPV will be convertible into common shares according to the following schedule:
    - No conversion until 9 months after the Uplist;
    - After the Uplist, convertible in tranches, delivered quarterly starting after the 9 month waiting period, at a per share price equal to 100% of the volume weighted average price of the prior 12 trading days:
        - Upward conversion price adjustments (capped at 250% of Uplist Price);
        - Subject to certain acceleration if stock trades and maintains a per share price of greater than 150% of the Uplist price).

As part of the agreement, Amarantus has agreed to deliver to the Old Debt holders the shares of common stock the Company currently owns in Avant Diagnostics, Inc. Any

proceeds derived from the sale of the AVDX shares delivered to the Old Debt Holders will be credited against those balances owed by the Company. The AVDX shares to be held by the Old Debt holders will be held via a Special Purpose Vehicle (AVDX SPV) to facilitate the orderly liquidation / monitoring of the securities. Such AVDX SPV will be structured similarly to the AMBS SPV.

Debt Extinguishment and Capital Injection

Concurrently, the Company entered into definitive agreements to provide for the extinguishment of approximately $975,440 in Senior Debt owed to the Company's first-priority senior secured note holder via the periodic issuance of the Company's common stock over the next several months in satisfaction of the debt. Additionally, the Company entered into definitive agreements with a West-Coast based institutional investor to raise up to $500,000. An initial $100,000 note as executed at closing. Dominick & Dickerman, LLC served as placement agent.

About Amarantus Bioscience Holdings, Inc.

Amarantus Bioscience Holdings (AMBS) is a biotechnology company developing treatments and diagnostics for diseases in the areas of neurology, regenerative medicine and orphan diseases through its subsidiaries. AMBS' wholly-owned subsidiary Elto Pharma, Inc. has development rights to eltoprazine, a Phase 2b-ready small molecule indicated for Parkinson's disease levodopa-induced dyskinesia, Alzheimer's aggression and adult ADHD. AMBS acquired the rights to the Engineered Skin Substitute program (ESS), a regenerative medicine-based approach for treating severe burns with full-thickness autologous skin grown in tissue culture that is being pursued by AMBS' wholly owned subsidiary Cutanogen Corporation. AMBS' wholly-owned subsidiary MANF Therapeutics, Inc. owns key intellectual property rights and licenses from a number of prominent universities related to the development of the therapeutic protein known as mesencephalic astrocyte-derived neurotrophic factor (MANF). MANF Therapeutics is developing MANF-based products as treatments for brain and ophthalmic disorders. MANF was discovered by the Company's Chief Scientific Officer John Commissiong, PhD. Dr. Commissiong discovered MANF from AMBS' proprietary discovery engine PhenoGuard. AMBS also owns approximately 80 million shares of Avant Diagnostics, Inc. via the sale of its wholly-owned subsidiary Amarantus Diagnostics, Inc. that occurred in May 2016.

For further information please visit www.Amarantus.com, or connect with the Amarantus on Facebook, LinkedIn, Twitter and Google+.

About Eltoprazine

Eltoprazine is a small molecule 5HT1A/1B partial agonist in clinical development for the treatment of Parkinson's disease levodopa-induced dyskinesia (PD-LID), Alzheimer's aggression and adult attention deficit hyperactivity disorder (adult ADHD). Eltoprazine has been evaluated in over 680 human subjects to date, and has a well-established safety profile, with statistically significant efficacy results across multiple central nervous system indications.

Eltoprazine was originally developed by Abbott Pharmaceuticals in aggression-related indications. The eltoprazine program was out-licensed to PsychoGenics, Inc. (PGI). PGI licensed eltoprazine to Amarantus in 2014 after a successful proof-of-concept trial in PD-LID.

In April 2017, Amarantus incorporated the wholly-owned subsidiary Elto Pharma, Inc. to focus on the further clinical development of Eltoprazine.

About Engineered Skin Substitute (ESS)

Engineered Skin Substitute (ESS) is a tissue-engineered skin prepared from autologous (patient's own) skin cells. It is a combination of cultured epithelium and a collagen-dermal fibroblast implant that produces a skin substitute which contains both epidermal and dermal components. This model has been shown in preclinical studies to generate a functional skin barrier. Most importantly, because ESS is composed of a patient's own cells, it is less likely to be rejected by the immune system of the patient, unlike with porcine or cadaver grafts in which immune system rejection is a possibility. A non-GMP version ESS has been used in investigator-initiated and compassionate-use clinical settings in over 150 human subjects, primarily pediatric patients, for the treatment of severe burns up to 95% of total body surface area. The non-GMP version has also been used in the treatment of two patients with Giant Congenital Melanocytic Nevi (GCMN).

In July 2015, Amarantus' acquired Lonza Walkersville's wholly-owned subsidiary Cutanogen Corporation, the sole licensor of intellectual property rights to ESS from Cincinnati's Shriner's Hospital for Children and the University of Cincinnati. Cutanogen Corporation is a wholly-owned of Amarantus.

About Mesencephalic-Astrocyte-derived Neurotrophic Factor (MANF)

MANF (mesencephalic-astrocyte-derived neurotrophic factor) is believed to have broad potential because it is a naturally-occurring protein produced by the body reduce/prevent apoptosis (cell death) in response to injury or disease, via the unfolded protein response. By manufacturing MANF and administering it to the body, Amarantus is seeking to use a regenerative medicine approach to assist the body with higher quantities of MANF when needed. Amarantus is the front-runner and primary holder of intellectual property around MANF, and is initially focusing on the development of MANF-based protein therapeutics.

MANF's lead indication is retinitis pigmentosa, and additional indications including Parkinson's disease, diabetes and Wolfram's syndrome are currently pursued. Further applications for MANF may include Alzheimer's disease, traumatic brain injury, myocardial infarction, antibiotic-induced ototoxicity and certain other orphan diseases.

In April 2017, Amarantus incorporated the wholly-owned subsidiary MANF Therapeutics, Inc. to focus on the further preclinical and clinical development of MANF.

Forward-Looking Statements

Certain statements, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives, and expected operating

results, and the assumptions upon which those statements are based, are forward-looking statements. These forward-looking statements generally are identified by the words "believes," "project," "expects," "anticipates," "estimates," "intends," "strategy," "plan," "may," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse effect on our operations and future prospects on a consolidated basis include, but are not limited to: changes in economic conditions, legislative/regulatory changes, availability of capital, interest rates, competition, and generally accepted accounting principles. These risks and uncertainties should also be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements.

Amarantus Investor and Media Contact:
Ascendant Partners, LLC
Richard Galterio
+1-732-410-9810
rich@ascendantpartnersllc.com

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