

June 29, 2018



# **Orgenesis Forms Strategic Partnership with Leading Healthcare Fund and Reports Planned Investment of up to \$25 Million into MaSTherCell Subsidiary**

*Consolidates Global CDMO Business Including Belgian Subsidiary MaSTherCell S.A., Israeli Partner Atvio Biotech and Korean Partner Curecell Co.*

*Announces Plans to Enter U.S. Market and Expand Global Manufacturing Capacity*

GERMANTOWN, Md., June 29, 2018 (GLOBE NEWSWIRE) -- Orgenesis Inc. (Nasdaq:ORGS), a manufacturer, service provider and developer of advanced cell therapies, announced today that it has formed a strategic partnership with Great Point Partners, LLC ("GPP"), a leading health care investment firm based in Greenwich, Connecticut, in order to finance, strengthen and expand Orgenesis' contract development and manufacturing organization (CDMO) business through the Company's newly formed subsidiary, Masthercell Global Inc. ("Masthercell Global"). Under the agreement, GPP will fund, assist and advise on the launch of Masthercell Global's U.S. operations, as well as global expansion activities. GPP will invest up to \$25 million into Masthercell Global, representing 37.8% of the issued and outstanding equity share capital of Masthercell Global. Masthercell Global shall receive an initial upfront payment of \$11.8 million with the balance subject to achieving certain specified EBITDA and revenue targets.

In connection with the transaction, Orgenesis has consolidated its global CDMO network into Masthercell Global, including its flagship Belgian-based CDMO subsidiary, MaSTherCell S.A. ("Masthercell Belgium"). Orgenesis also acquired Atvio Biotech Ltd. ("Atvio"), the Company's Israel-based CDMO partner since May 2016, and Curecell Co. Ltd. ("Curecell"), the Company's Korea-based CDMO partner since March 2016. Both Atvio and Curecell are to become subsidiaries of Masthercell Global.

Masthercell Global and GPP also entered into an Advisory Services Agreement (the "Advisory Agreement") pursuant to which GPP will be providing assistance and advice on operations, planning and financing of the Masthercell Global operations. Under the Advisory Agreement, GPP will provide support to Orgenesis in managing and operating Orgenesis' CDMO business through Masthercell Global.

The initial board of directors of Masthercell Global will be comprised of seven directors:

- Noah Rhodes, Managing Director at Great Point Partners
- Jeffrey R. Jay MD, Senior Managing Member at Great Point Partners
- Stephen Weaver, Senior Vice President at Great Point Partners
- Vered Caplan, CEO of Orgenesis Inc.
- Rosemary Mazanet, MD PhD, President of R. Mazanet LLC

- Darren Head, President at Head Bio Consulting
- Mark Cohen, Senior Partner and Chair of the Life Science Practice Group at Pearl Cohen

GPP will have the right to convert its ownership in Masthercell Global into shares of Orgenesis based on a variety of factors including the fair market value of Masthercell Global, revenue of Masthercell Global and the market capitalization of Orgenesis, but in no event reflecting an enterprise value for Orgenesis of less than \$250 million.

Vered Caplan, CEO of Orgenesis, commented, “We are pleased to announce this strategic partnership among Orgenesis, GPP and Masthercell Global, as well as the concurrent investment of up to \$25 million in our Masthercell Global subsidiary. We believe this investment is further validation of our CDMO business model and should allow us to enhance the services for our customers and fully capitalize on the growing global market demand. GPP brings extensive experience and resources that go well beyond a traditional investor. In particular, GPP brings a vast network of relationships in the pharmaceutical, cell and gene-therapy industries; an accomplished Medical Advisory Board comprised of leading key opinion leaders, a number of whom are focused within the cell and gene therapy markets; a CEO Advisory Board comprised of successful health care executives with pharmaceutical industry experience; as well as extensive business development and M&A capabilities.”

Dr. David Sidransky, independent board member of Orgenesis, noted, “This partnership will allow us to significantly expand our international services and enter the U.S. market. Through the acquisition and integration of Atvio and Curecell, which will become wholly owned subsidiaries of Masthercell Global, we are also solidifying our global footprint within the Middle East and Asian markets.”

Noah Rhodes, Managing Director at Great Point Partners, commented, “With limited resources until now, Orgenesis has built an impressive global CDMO business, with a customer base that is at the cutting edge in providing industrialization capabilities to cell therapy organizations. Therapeutic industrialization has been the historic Achilles heel of this industry, and Masthercell has developed a highly scalable and cost-effective business model. Given the explosive growth in this market, we are excited to partner with Orgenesis following our extensive due diligence, in order to help accelerate Masthercell Global’s network both in the U.S. and around the world.”

For further details on the transaction, please refer to the Company's Form 8-K filed with the Securities and Exchange Commission on June 29, 2018.

### **About Great Point Partners**

Great Point Partners (“GPP”), founded in 2003 and based in Greenwich, CT, is a leading health care investment firm with approximately \$1.1 billion of equity capital currently under management and 28 professionals, investing in the United States, Canada, and Western Europe. GPP is currently making new private equity investments from GPP II, which has closed on \$215 million. Great Point manages capital in private (GPP I, \$156 million and GPP II, \$215 million of committed capital) and public (BioMedical Value Fund strategy, approximately \$720 million) equity funds. Great Point Partners has provided growth equity, growth recapitalization, and management buyout financing to more than 100 growing health

care companies. The private equity funds invest across all sectors of the health care industry with particular emphasis on biopharmaceutical services and supplies, outsourcing and alternate site care, pharmaceutical infrastructure and information technology enabled businesses. The firm pursues a proactive and proprietary approach to sourcing investments and tuck-in acquisitions for its portfolio companies. For further information, GPP can be reached at (203) 971-3300 or by visiting [www.gppfunds.com](http://www.gppfunds.com).

## **About MaSTherCell**

MaSTherCell S.A. is a dynamic and global Contract Development and Manufacturing Organization (CDMO) on a mission to deliver optimized process industrialization capacities to cell therapy organizations, and speed up the arrival of their therapies onto the market. The company is the subsidiary of Orgenesis Inc. (Nasdaq:ORGS), a cell therapy and regenerative medicine company that is committed to developing a cure for Type 1 diabetes. The heart of MaSTherCell is a team of highly dedicated experts combining strong experience in cGMP cell therapy manufacturing with a technology-focused approach and a substantial knowledge of the industry. From technology selection to business modeling, GMP manufacturing, process development, quality management and assay development, MaSTherCell's teams are fully committed to helping their clients fulfill their objective of providing sustainable and affordable therapies to their patients. The company operates in a validated and flexible facility located in the strategic center of Europe within the Walloon healthcare cluster, Biowin. For more information, please visit [www.masthercell.com](http://www.masthercell.com).

## **About Orgenesis**

Orgenesis is a vertically-integrated biopharmaceutical company with expertise and unique experience in cell therapy development and manufacturing. Through its Israeli subsidiary, Orgenesis Ltd., Orgenesis is developing technology designed to successfully reprogram human liver cells into glucose-responsive, fully functional, Insulin Producing Cells (IPCs). Orgenesis believes that converting the diabetic patient's own tissue into insulin-producing cells has the potential to overcome the significant issues of donor shortage, cost and exposure to chronic immunosuppressive therapy associated with islet cell transplantation. Through its Belgian subsidiary, MaSTherCell S.A., a global Contract Development and Manufacturing Organization (CDMO), Orgenesis is able to deliver optimized process industrialization capacities to cell therapy organizations, and speed up the arrival of their therapies onto the market. From technology selection to business modeling, GMP manufacturing, process development, quality management and assay development, MaSTherCell's teams are fully committed to helping their clients fulfill their objective of providing sustainable and affordable therapies to their patients. MaSTherCell operates in a validated and flexible facility located in the strategic center of Europe within the Walloon healthcare cluster, Biowin. This integrated approach supports the Company's business philosophy of bringing to market significant life-improving medical treatments. For more information, visit [www.orgenesis.com](http://www.orgenesis.com).

## **Notice Regarding Forward-Looking Statements**

*This press release contains forward-looking statements which are made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities and Exchange Act of 1934, as amended. These forward-looking statements involve substantial uncertainties and risks and are based upon our current*

*expectations, estimates and projections and reflect our beliefs and assumptions based upon information available to us at the date of this release. We caution readers that forward-looking statements are predictions based on our current expectations about future events. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that are difficult to predict. Our actual results, performance or achievements could differ materially from those expressed or implied by the forward-looking statements as a result of a number of factors, including, but not limited to, the success of our reorganized and expanded CDMO operations, including the new consolidated subsidiaries, operated through Masthercell Global Inc., our ability to successfully enter the U.S. CDMO market our ability to attract and retain new customers, our ability to achieve profitability, the development of our regeneration technology as therapeutic treatment for diabetes which could, if successful, be a cure for Type 1 Diabetes, our technology not functioning as expected, our ability to retain key employees, our ability to satisfy the rigorous regulatory requirements for new procedures, our competitors developing better or cheaper alternatives to our products and the risks and uncertainties discussed under the heading "RISK FACTORS" in Item 1 of our Annual Report on Form 10-K for the fiscal year ended November 30, 2017, and in our other filings with the Securities and Exchange Commission. We undertake no obligation to revise or update any forward-looking statement for any reason.*

## **Contacts**

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