June 30, 2023

Baudax Bio Acquires TeraImmune, Inc.

TeraImmune, an Advanced Treg Research Company, headed by Yong Chan Kim, Ph D, brings an approved Treg IND to the Strong Development team from Baudax

Baudax Bio CEO Gerri Henwood to Serve as CEO of Combined Entity

MALVERN, Pa., June 30, 2023 (GLOBE NEWSWIRE) -- Baudax Bio, Inc. (Nasdaq:BXRX) ("Baudax Bio" or the "Company"), a pharmaceutical company focused on innovative products for acute care and related settings, today announced the acquisition of TeraImmune, a privately held a biotechnology company focused on discovery and development of novel Treg-based cell therapies for autoimmune diseases.

"This combination blends the world class scientific expertise of the TeraImmune team with the Baudax team's proven ability to execute clinical development programs, which we believe is a win for the shareholders of both companies," said Ms. Henwood. "This merger adds TeraImmune's TI-168 asset to the Baudax portfolio—a promising next-generation, autologous FVIII TCR-Treg cell therapy candidate to eliminate clotting factor VIII (FVIII) inhibitors in Hemophilia A patients. Hemophilia A is a rare genetic bleeding disorder that is caused by a lack of FVIII, with an Investigational New Drug (IND) application already FDA-cleared. We believe this combination can enable, with a modest initial budget, activating the Phase 1/2a Clinical Trial of TI-168 for Treatment of HA. We believe this is an attractive therapeutic area, with established preclinical proof of concept in TI-168 through successes observed in hemophilic animal models. We believe this platform, with customization to the target condition, has potential for clinical application in management of Myasthenia Gravis, Pemphigus Vulgaris and combination therapies for other conditions such as Organ Transplantation, MS and other auto-immune disorders."

"Concurrently, we intend to continue to progress the development of our existing Neuromuscular Blockade (NMB) portfolio at a prudent pace," continued Ms. Henwood. "With the positive data obtained from our Phase 2 trial of BX1000, we continue to believe that when combined with our reversal agent BX3000 our NMB regimen may provide improved control of neuromuscular paralysis for surgical patients and deliver the first innovation in NMB in decades."

"With IND clearance from the FDA already in hand for TI-168, this transaction permits the continued development of this promising asset," said Yong Chan Kim, PhD, Co-Founder of TeraImmune. "We are looking forward to working with Gerri Henwood and the excellent clinical development team at Baudax to advance this asset to its full potential," said Jihoon (Jay) Park, PhD, Co-Founder of TeraImmune. Daniel Chai, former Board Member of TeraImmune and managing partner of Turret Capital Management said, "We are very excited to see the results that will be driven by the combination of an impressive leadership team and how many lives that can be impacted by the development of this platform technology."

Gerri Henwood, President and Chief Executive Officer of Baudax Bio, will continue as CEO

of the combined entity. In conjunction with the transaction, Yong Chan Kim, Ph D, former Chief Executive Officer of TeraImmune, will be appointed to the Board of Directors of Baudax.

About the Transaction

The acquisition of TeraImmune was structured as a stock-for-stock transaction whereby all TeraImmune outstanding equity interests were exchanged for a combination of shares of Baudax common stock, shares of newly designated convertible Series X Non-Voting Convertible Preferred Stock. Subject to shareholder approval of the conversion, each share of Series X Non-Voting Convertible Preferred Stock will automatically convert into 1,000 shares of common stock, subject to certain beneficial ownership limitations set by each holder. On a pro forma basis and based upon the number of shares of Baudax common stock and preferred stock issued in the acquisition, Baudax equity holders immediately prior to the acquisition will own approximately 18% of the combined Company (on an as-converted, fully-diluted basis and excluding certain out-of-the-money warrants held by Baudax' equity holders) immediately after these transactions. The acquisition was unanimously approved by the Board of Directors of Baudax and the Board of Directors of TeraImmune. The closing of the transaction was not subject to the approval of Baudax shareholders.

Nobel Capital provided a fairness opinion to the Baudax Board of Directors.

About Baudax Bio

Baudax Bio is a pharmaceutical company focused on innovative products for acute care and related settings. The Company has a pipeline of innovative pharmaceutical assets including two clinical-stage, novel neuromuscular blocking (NMBs) agents, one that recently completed a Phase II clinical trial and an additional unique NMB undergoing a dose escalation Phase I clinical trial, as well as a proprietary chemical reversal agent specific to these NMBs, which is currently undergoing nonclinical and manufacturing studies to prepare for an expected IND filing in the summer of 2023.

Following the acquisition, the combined company will also advance the development of TeraImmune's innovative immune-cell therapies, leveraging a dual Treg manufacturing platform consisting of both natural regulatory T cells (Tregs) isolated from patients (TREGable™) and induced Tregs converted from a patient's T-effector (Teff) cells (TREGing™). This Treg platform technology is designed for conditions that suppress unwanted immune reactions and includes the allogenic, or off-the-shelf, Tregs obtained from Umbilical Cord Blood for the treatment of skin diseases such as Atopic Dermatitis. The combined company will further the development of Treg therapy specific to HA (pipeline candidate TI-168). TI-168 is a next-generation, FVIII specific Treg therapy designed to reliably and effectively address Hemophilia A patients with FVIII inhibitor. By combining the patented Treg culture method (TREGable™) and TeraImmune designed FVIII-specific TCR, the Company has successfully demonstrated the therapeutic concept of FVIII TCR-Treg therapy in controlling of FVIII ADA in a hemophilic animal model. The lead program TI-168 has shown encouraging pre-clinical data and the FDA has cleared an IND to commence a Phase 1/2a clinical trial for the treatment of hemophilia A with inhibition.

For more information, please visit www.baudaxbio.com.

Forward Looking Statements

This press release contains forward-looking statements that involve risks and uncertainties. Such forward-looking statements, including statements relating to the Company's strategic alternatives, new development opportunities, financial position, funding for continued operations, cash reserves, projected costs, prospects, clinical trials, plans, expectations, strategies, projections and objectives of management, reflect Baudax Bio's expectations about its future performance and opportunities that involve substantial risks and uncertainties. When used herein, the words "anticipate," "believe," "estimate," "may," "upcoming," "plan," "target," "goal," "intend" and "expect" and similar expressions, as they relate to Baudax Bio or its management, are intended to identify such forward-looking statements. These forward-looking statements are based on information available to Baudax Bio as of the date of publication of this press release and are subject to a number of risks, uncertainties, and other factors that could cause Baudax Bio's performance to differ materially from those expressed in, or implied by, these forward-looking statements. These risks and uncertainties include, among other things, whether Baudax Bio will be able to successfully integrate the TeraImmune operations; whether Baudax's shareholders will approve the conversion of the Series X Non-Voting Convertible Preferred Stock; whether Baudax Bio's cash resources will be sufficient to fund its continuing operations and the newly acquired TeraImmune operations, including the liabilities of TeraImmune incurred in connection with the completion of the transactions; risks related to market, economic and other conditions, Baudax Bio's ability to advance its product candidate pipeline through pre-clinical studies and clinical trials, that interim results may not be indicative of final results in clinical trials, that earlier-stage trials may not be indicative of later-stage trials, the approvability of product candidates, Baudax Bio's ability to raise future financing for continued development of its product candidates, Baudax Bio's ability to pay its debt and to comply with the financial and other covenants under its credit facility, Baudax Bio's ability to manage costs and execute on its operational and budget plans, Baudax Bio's ability to achieve its financial goals; Baudax Bio's ability to maintain listing on the Nasdaq Capital Market; and Baudax Bio's ability to obtain, maintain and successfully enforce adequate patent and other intellectual property protection. These forward-looking statements should be considered together with the risks and uncertainties that may affect Baudax Bio's business and future results included in Baudax Bio's filings with the Securities and Exchange Commission at www.sec.gov. These forward-looking statements are based on information currently available to Baudax Bio, and Baudax Bio assumes no obligation to update any forward-looking statements except as required by applicable law.

Important Additional Information and Where to Find It

Baudax Bio, Inc., its directors and certain of its executive officers are deemed to be participants in the solicitation of proxies from Baudax Bio's shareholders in connection with the matters to be considered at the Baudax Bio 2023 Special Meeting of Shareholders. Information regarding the names of Baudax Bio's directors and executive officers and their respective interests in Baudax Bio by security holdings or otherwise can be found in Baudax Bio's proxy statement for its 2023 Annual Meeting of Shareholders, filed with the SEC on April 28, 2023. To the extent holdings of Baudax Bio's securities have changed since the amounts set forth in Baudax Bio's proxy statement for the 2023 Annual Meeting of Shareholders, such changes have been reflected on Initial Statements of Beneficial Ownership on Form 3 or Statements of Change in Ownership on Form 4 filed with the SEC.

These documents are available free of charge at the SEC's website at www.sec.gov. Baudax Bio intends to file a proxy statement and accompanying proxy card with the SEC in connection with the solicitation of proxies from Baudax Bio shareholders in connection with the matters to be considered the Baudax Bio 2023 Special Meeting of Shareholders. Additional information regarding the identity of participants, and their direct or indirect interests, by security holdings or otherwise, will be set forth in Baudax Bio's proxy statement for its 2023 Special Meeting, including the schedules and appendices thereto. **INVESTORS AND SHAREHOLDERS ARE STRONGLY ENCOURAGED TO READ ANY SUCH PROXY STATEMENT AND THE ACCOMPANYING PROXY CARD AND ANY AMENDMENTS AND SUPPLEMENTS THERETO AS WELL AS ANY OTHER DOCUMENTS FILED BY BAUDAX BIO WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE AS THEY WILL CONTAIN IMPORTANT INFORMATION**. Shareholders will be able to obtain copies of the proxy statement, any amendments or supplements to the proxy statement, the accompanying proxy card, and other documents filed by Baudax Bio with the SEC for no charge at the SEC's website at www.sec.gov. Copies will also be available at no charge at the Investor Relations section of Baudax Bio's corporate website at https://www.baudaxbio.com/news-and-investors or by contacting Baudax Bio's Investor Relations at Baudax Bio, Inc., 490 Lapp Road, Malvern, Pennsylvania 19355.

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