CLOSER LOOK

MEMORANDUM

SAB BIO closes $85 million public offering to fund SAB-142 (an anti-thymocyte immunoglobulin candidate for T1D) development – March 20, 2026

Approximately 22 million shares of common stock issued and pre-funded warrants at $3.85 per share raising $85 million in gross proceeds.

Miami, Florida-based SAB BIO announced today the close of an underwritten public offering of $85 million ($97.8 million if the underwriters exercise an option to purchase additional shares after the closing) in gross proceeds. The proceeds will be used to fund SAB-142 development, including: (i) ongoing and planned clinical trials; (ii) manufacturing costs; (iii) regulatory activities; and (iv) other operations related to SAB-142. Proceeds will complement the existing cash of $144 million (as of 4Q25). See 8-K.

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Common stock issued at $3.85 per share; SAB BIO valued at $193 million

SAB BIO issued over 19 million shares of common stock at $3.85 per share and issued pre-funded warrants at $3.8499 to purchase up to 2,753,246 shares, reflecting the public offering price per share, less a $0.0001 per share exercise price. SAB BIO also granted the underwriters a 30-day option to purchase up to an additional 3,311,688 shares of common stock on the same terms and conditions.

Jeffries, UBS Investment Bank, Citigroup, and Barclays acted as joint book-running managers for the offering with Chardan acting as the lead manager.

SAB BIO's lead product candidate, SAB-142, is potentially a disease-modifying therapy and currently in a registrational phase 2b study for stage 3 T1D

SAB-142 is a potentially disease-modifying, redosable immunotherapy in clinical development for the treatment of T1D. SAB-142 is a multi-specific, fully human anti-thymocyte globulin (hATG) with a mechanism of action analogous to that of rabbit ATG (rATG). rATG has demonstrated in multiple clinical trials the ability to slow disease progression in patients with new- or recent-onset T1D, also known as Stage 3. SAB-142 directly targets multiple immune cells involved in destroying pancreatic beta cells, including modulation of "bad acting" T-lymphocytes. By stopping immune cells from attacking beta cells, this treatment has the potential to preserve insulin-producing beta cells. The mechanism of action of SAB-142 has been clinically validated in numerous clinical trials with rATG.

A phase 1 study (n=68) confirmed that SAB-142 is not immunogenic, does not cause serum sickness, leads to sustained T-cell exhaustion, and can be re-dosed twice each year. At JPM 2026, CEO Samuel Reich, shared that repeat dosing of SAB-142 did not demonstrate sustained lymphodepletion. The rapid recovery of lymphocyte counts suggests immune modulation without prolonged suppression and supports the potential for repeat dosing and maintenance administration at six-month intervals.

In expanded single- and multiple-ascending dose studies of individuals with (n=6) and without T1D (n=62), SAB-142

was well-tolerated, did not cause serum sickness among any participants, and demonstrated a superior safety profile to rabbit ATG (Sanofi's thymoglobulin). Moreover, SAB-142 showed no adverse events associated with anti-drug antibodies at any dose across all cohorts, including those who were administered treatment re-doses. Most adverse events were mild and associated with infusions on Days 1 and 2, with grade 1 flu-like symptoms and transient infusion-site reactions (e.g., itching and tenderness).

SAB-142 is currently being evaluated in the phase 2b SAFEGUARD trial for new onset stage 3 T1D

In December 2025, SAB BIO dosed its first patient in its 52-week phase 2b SAFEGUARD trial (n=159) to investigate the safety and efficacy of SAB-142 among pediatric, adolescent and adult populations (five to 40 years old) with new-onset (<100 days) stage 3 T1D.

The trial will randomize participants 1:1:1 across high dose, low dose, and placebo groups, and will infuse 0.5 mg/kg of SAB-142 intravenously on Day 1, with the remainder administered on Day 2 or 3. The primary endpoint for the SAFEGUARD trial is the change in stimulated C-peptide levels following a two-hour mixed meal tolerance test compared to baseline. Secondary endpoints include Time in Range (TIR), Time in Tight Range (TITR), Time below Range (TBR), as well as total daily insulin use, HbA1c, hypoglycemia, and safety.

SAB-142 across multiple stages of T1D, including potential for safe redosing

SAB BIO has repeatedly shared its goals to advance SAB-142 across multiple stages of T1D, including to: (i) delay the onset of T1D for stages 1 and 2; and (ii) delay progression of stage 3. Because SAB-142 has the potential for redosing in outpatient settings throughout patients' lifespans, the company compared this profile to other immunomodulatory drugs that deplete lymphocytes for up to two years.

Close Concerns' Questions and Answers from SAB BIO

1. **Q: What does SAB BIO anticipate its cash runway to be with the public offering closure?**

   A: The $85 million financing gives SAB BIO a cash runway through Q4 2028.

2. **Q: Will today's public offering closure fund a potential phase 3 trial?**

   A: SAB Bio's Phase 2b SAFEGUARD clinical trial will support a BLA filing for SAB-142 and is therefore considered a registrational study.

-- by Elizabeth Rose, Kat Moon, Jeremy Alkire, and Kelly Close