

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 OR 15(d)  
of The Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): May 17, 2022**

**Clene Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or Other Jurisdiction  
of Incorporation)

**001-39834**

(Commission File Number)

**85-2828339**

(IRS Employer  
Identification No.)

**6550 South Millrock Drive, Suite G50  
Salt Lake City, Utah**  
(Address of Principal Executive Offices)

**84121**  
(Zip Code)

**Registrant's telephone number, including area code: (801) 676-9695**

**N/A**

(Former Name or Former Address, if Changed Since Last Report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Securities registered pursuant to Section 12(b) of the Act:**

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
Common Stock, \$0.0001 par value	CLNN	The Nasdaq Capital Market
Warrants, to acquire one-half of one share of Common Stock for \$11.50 per share	CLNNW	The Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## **Item 1.01 Entry into a Material Definitive Agreement.**

### ***Security Agreement and Disbursement Agreement***

On May 17, 2022 (the “Closing Date”), Clene Nanomedicine, Inc. (“Clene”), a wholly owned subsidiary of Clene Inc. (along with its subsidiaries, the “Company”), entered into a security agreement (the “Security Agreement”) and disbursement agreement (the “Disbursement Agreement”) with the Department of Housing and Community Development, a principal department of the State of Maryland (the “DHCD”). The Security Agreement provides for a loan in the principal amount of \$3.0 million (the “Loan”) for the purchase of certain personal property (the “Assets”) related to the production of pharmaceutical drugs. Pursuant to the Disbursement Agreement, Clene is required to submit disbursement requests to purchase Assets within two years of the Closing Date. Any undisbursed principal by the Completion Date shall reduce the amount of the Loan.

Pursuant to the Security Agreement, DHCD is granted a continuing security interest in the Assets as collateral for the Loan. Under a priority of liens agreement dated May 17, 2022 by and between DHCD and Avenue Venture Opportunities Fund, L.P. (“Avenue”), an existing secured creditor of the Company, DHCD’s continuing security interest in the Assets shall be a first priority lien.

### ***Promissory Note***

Pursuant to a promissory note to the Security Agreement dated May 17, 2022 (the “Promissory Note”), the Company agreed to repay the Loan plus interest at an annual interest rate of 6.0%. The Loan matures sixty months from the first day of the second full month following the Closing Date (the “Maturity Date”). The first twelve payments for the Loan, commencing on the first day of the second full month following the Closing Date, shall be deferred. Immediately thereafter, there shall be eighteen consecutive monthly installments of interest-only; following by thirty consecutive monthly installments of principal and interest, based on an amortization of ten years, in the amount of \$15,000; with a balloon payment of all accrued and unpaid interest and principal on the Maturity Date.

DHCD has other relationships with the Company, including a loan agreement that provides for a term loan of \$0.5 million.

The foregoing descriptions of the Security Agreement, Disbursement Agreement, and Promissory Note do not purport to be complete and are qualified in their entirety by reference to the full text of the Security Agreement, Disbursement Agreement, and Promissory Note, which are filed herewith as Exhibit 10.1, Exhibit 10.2, and Exhibit 10.3 to this Current Report on Form 8-K and are incorporated herein by reference.

## **Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information included in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03 of this Current Report on Form 8-K.

## **Item 8.01 Other Events.**

On May 19, 2022, the Company issued a press release announcing the receipt of the Loan. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K (the “Current Report”) and is incorporated herein by reference.

The information furnished in this Item 8.01, including Exhibit 99.1, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”), as amended, or otherwise subject to the liabilities of that section, and shall not be deemed to be incorporated by reference into any filing made by the Company under the Exchange Act or the Securities Act of 1933 (the “Securities Act”), as amended, regardless of any general incorporation language in any such filings, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<b>Exhibit Number</b>	<b>Exhibit Description</b>
10.1	<a href="#"><u>Security Agreement, dated May 17, 2022, by Clene Nanomedicine, Inc. in favor of the Department of Housing of Community Development, a principal department of the State of Maryland.</u></a>
10.2*	<a href="#"><u>Disbursement Agreement, dated May 17, 2022, by and between Clene Nanomedicine, Inc. and the Department of Housing of Community Development, a principal department of the State of Maryland.</u></a>
10.3	<a href="#"><u>Promissory Note, dated May 17, 2022, by Clene Nanomedicine, Inc. to the Department of Housing of Community Development, a principal department of the State of Maryland.</u></a>
99.1	<a href="#"><u>Press Release, dated May 19, 2022, announcing Clene's receipt of a \$3.0 million loan from State of Maryland to support development of commercial manufacturing facility.</u></a>
104	Cover Page Interactive Data File (formatted as Inline XBRL).

\* Schedules and similar attachments to this exhibit have been omitted pursuant to Item 601(a)(5) of Regulation S-K. We agree to furnish supplementally a copy of such omitted materials to the SEC upon request.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

CLENE INC.

Date: May 19, 2022

By: /s/ Robert Etherington  
Robert Etherington  
President and Chief Executive Officer

## SECURITY AGREEMENT

**THIS SECURITY AGREEMENT** (this “**Agreement**”) is made as of this 17th day of May, 2022 by CLENE NANOMEDICINE, INC., a Delaware Corporation (the “**Debtor**”), in favor of the DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, a principal department of the State of Maryland (“**DHCD**”).

Recitals

The Debtor has applied to DHCD for a loan in the principal amount of \$3,000,000 (the “**Loan**”). The Loan is to be evidenced by, and repaid with interest in accordance with the provisions of a commercial promissory note of even date herewith from the Debtor payable to DHCD in the principal amount of the Loan (the “**Note**”). The Loan is being made pursuant to the Neighborhood Business Development Program established by §§6-301 through 6-311 of the Housing and Community Development Article of the Annotated Code of Maryland, and related regulations promulgated thereunder (collectively, the “**Act**”). DHCD has required, as a condition to the making of the Loan, the execution of this Agreement by the Debtor.

**NOW, THEREFORE**, in order to secure (a) the prompt payment of all past, present, and future indebtedness, liabilities, and obligations of the Debtor to DHCD of any nature whatsoever in connection with the Loan (the “**Liabilities**”), and (b) the performance by the Debtor of all of the terms, conditions, and provisions of this Agreement, the Note, and of any other document previously, simultaneously, or hereafter executed and delivered by the Debtor, or any other person, singly or jointly with another person or persons, evidencing, securing, guaranteeing, or in connection with any of the Liabilities (collectively, the “**Loan Documents**”), the Debtor agrees with DHCD as follows:

1. Collateral. The Debtor hereby assigns, pledges, and grants to DHCD a continuing security interest in all of the personal property of the Debtor as described in Exhibit A attached hereto and incorporated herein, wherever located, whether now owned or hereafter acquired or arising, which security interest shall continually exist until all Liabilities have been paid in full. The term “**Collateral**” means all of the items described in Exhibit A.

2. Representations and Warranties/Covenants of Debtor.

a. Payment and Performance. The Debtor will pay the Liabilities as and when due and payable and will perform, comply with, and observe the terms and conditions of the Loan Documents to be performed, complied with, and observed by the Debtor.

b. Title to Collateral. The Debtor represents and warrants that it is the owner of the Collateral (hereinafter defined) and has good and marketable title to the Collateral free and clear of all liens, security interests, and other encumbrances except those in favor of DHCD and those previously disclosed in writing to DHCD. The security interest granted DHCD hereunder shall be a 1st priority lien against the Collateral.

c. Further Assurances. The Debtor will defend its title to the Collateral against all persons and will, upon request of DHCD, (i) furnish such further assurances of title as may be required by DHCD, and (ii) deliver and execute or cause to be delivered and executed, in form and content satisfactory to DHCD, any financing, continuation, termination, or security interest filing statement, security agreement, or other document as DHCD may request in order to perfect, preserve, maintain, or continue the perfection of DHCD's security interest in the Collateral and/or its priority and hereby specifically authorizes DHCD to file any financing, continuation, or security interest filing statement describing the Collateral to perfect its security interest. The Debtor will pay the costs of filing any financing, continuation, termination, or security interest filing statement as well as any recordation or transfer tax required by law to be paid in connection with the filing or recording of any such statement.

d. Transfer and Other Liens. The Debtor will not sell, lease, transfer, exchange, or otherwise dispose of the Collateral, or any part thereof, without the prior written consent of DHCD and will not permit any lien, security interest, or other encumbrance to attach to the Collateral, or any part thereof, other than those in favor of DHCD or those permitted by DHCD in writing, except that the Debtor may, in the ordinary course of its business, and in the

absence of an Event of Default (as hereinafter defined) hereunder, collect its accounts and chattel paper and sell its inventory.

e. Name of Debtor, Place(s) of Business, and Location of Collateral. The Debtor represents and warrants that its correct legal name is as specified on the signature lines of this Agreement, and each legal or trade name of the Debtor for the previous twelve (12) years (if different from the current legal name) is as specified in Exhibit A of this Agreement and that it is duly organized, legally existing, and in good standing under the laws of the State of Delaware and that it is in good standing under the laws of the State of Maryland. Without the prior written consent of DHCD, the Debtor will not change its name, dissolve, merge, or consolidate with any other person. The Debtor warrants that the address of the Debtor's chief executive office and the address of each other place of business of the Debtor are as specified below the signature lines of this Agreement. Except for mobile equipment and motor vehicles, the Collateral and all books and records pertaining to the Collateral have been, are, and will be located at the Debtor's chief executive office specified below or at any other place of business which may be specified below. The Debtor will immediately advise DHCD in writing of the opening of any new place of business and will not change the location of the place where the Collateral, or any part thereof, or the books and records concerning the Collateral, or any part thereof, are kept without the prior written consent of DHCD, such consent not to be unreasonably withheld or delayed. In any event, the Collateral shall be maintained within the State of Maryland.

f. Care of Collateral. The Debtor will maintain the Collateral in good condition and will not do or permit anything to be done to the Collateral that may impair its value or that may violate the terms of any insurance covering the Collateral or any part thereof. The Debtor shall bear all risk of loss of the Collateral. DHCD shall have no duty to, and the Debtor hereby releases DHCD from all claims for loss or damage caused by the failure to, collect or enforce any account or chattel paper or to preserve rights against prior parties to the Collateral.

g. Insurance. The Debtor will insure such of the Collateral as specified by DHCD against such casualties and risks in such form and amount as may from time to time be required by DHCD. All insurance proceeds of the Collateral shall be payable to DHCD and all copies of all policies of insurance relating to the Collateral shall be furnished to DHCD. The Debtor will pay all premiums due or to become due for such insurance and hereby assigns to DHCD any returned or unearned premiums which may be due upon cancellation of insurance coverage. DHCD is hereby irrevocably (i) appointed the Debtor's attorney-in-fact (which appointment is coupled with an interest and is irrevocable) to endorse any draft or check which may be payable to the Debtor in order to collect such returned or unearned premiums or the proceeds of insurance and (ii) authorized to apply such insurance proceeds in the same manner and order as the proceeds of sale or other disposition of the Collateral are to be applied pursuant to Paragraph 9 hereof.

h. Taxes. The Debtor will pay as and when due and payable all taxes, levies, license fees, assessments, and other impositions levied on the Collateral or any part thereof or for its use and operation.

i. Equipment Not Fixtures. The Debtor warrants that all equipment which constitutes a part of the Collateral is personalty and is not and will not be affixed to real estate in such manner as to become a fixture or part of such real estate. If, in the opinion of DHCD, any such equipment is or may become part of any real estate, the Debtor will furnish to DHCD a written waiver by the record owner of such real estate of all interest in such equipment and a written subordination to DHCD's security interest and lien by any person who has a lien on or security interest in such real estate which is or may be superior to DHCD's security interest hereunder.

j. Specific Assignments. Promptly, upon request by DHCD, the Debtor will execute and deliver to DHCD written assignments, endorsements, and/or schedules, in form and content satisfactory to DHCD, of specific chattel paper and accounts or groups of accounts or chattel paper related to the Collateral, but the security interest of DHCD hereunder shall not be limited in any way by such assignments. Such accounts and chattel paper are to secure payment of the Liabilities and performance of the Loan Documents and are not sold to DHCD whether or not any assignment thereof which is separate from this Agreement is in form absolute.

k. Delivery, etc., of Chattel Paper. The Debtor will promptly upon request by DHCD deliver, assign, and endorse to DHCD all chattel paper related to the Collateral and all other documents held by the Debtor in connection therewith.

l. Litigation. There are no proceedings pending or, so far as any person signing below as or on behalf of the Debtor knows, threatened before any court or administrative agency which will materially adversely affect the financial condition or operations of the Debtor.

m. No Conflicting Agreements. There are no provisions of the Debtor's charter and by laws and no provisions of any existing mortgage, deed of trust, indenture, contract, lease, or agreement binding on the Debtor or affecting the Collateral which would materially conflict with or in any way prevent the execution, delivery, or carrying out the terms of this Agreement, the Note, or the other Loan Documents.

n. Books, Financial Records, and Inspections. The Debtor will at all times (i) maintain complete and accurate books and records and (ii) permit any person designated by DHCD to enter, examine, audit, and inspect all properties, books, operations, and records of the Debtor at any reasonable time and from time to time wherever such properties, books, and records are located; and (iii) furnish to DHCD financial statements in such form and from time to time as may be required by DHCD.

o. Government Contracts. If any account or chattel paper related to the Collateral arises out of a contract or contracts with the United States of America or any department, agency, or instrumentality thereof, the Debtor shall immediately notify DHCD thereof in writing and execute any instruments or take any steps required by DHCD in order that all moneys due or to become due under such contract or contracts shall be assigned to DHCD and notice thereof given under the Federal Assignment of Claims Act.

p. Collateral Account. If all or any part of the Collateral at any time consists of inventory, accounts, or chattel paper, the Debtor will, upon the request of DHCD at any time and from time to time both prior to and after the occurrence of an Event of Default hereunder, deposit or cause to be deposited to a bank account designated by DHCD and from which DHCD alone has the power of access and withdrawal (the "**Collateral Account**") all checks, drafts, cash, and other remittances in payment or on account of payment of such inventory, accounts, or chattel paper and the cash proceeds of any returned goods, the sale or lease of which gave rise to an account or chattel paper (all of the foregoing herein collectively referred to as "**Items of Payment**"). The Debtor shall deposit the Items of Payment for credit to the Collateral Account within two (2) business days of the receipt thereof, and in precisely the form received, except for the endorsement of the Debtor where necessary to permit the collection of the Items of Payment, which endorsement the Debtor hereby agrees to make. Pending such deposit, the Debtor will not commingle any of the Items of Payment with any of its other funds or property but will hold them separate and apart. At least once a week, DHCD will apply the whole or any part of the collected funds credited to the Collateral Account against the Liabilities or credit such collected funds to a banking account of the Debtor with DHCD, the order and method of such application to be in the sole discretion of DHCD.

q. Violations of Laws, etc. Neither the consummation of the Loan nor the use, directly or indirectly, of all or any portion of the proceeds of the Loan hereunder will violate or result in a violation of any provision of any applicable statute, regulation, or order of, or any restriction imposed by, the State of Maryland or the United States of America or by any authorized official, board, department, instrumentality, or agency thereof.

r. Environmental Laws. The Debtor has obtained or will obtain all permits, licenses and other authorizations ("**Environmental Authorizations**") which are required under any and all federal, state, local and foreign statutes, ordinances, codes, laws, regulations and other such authorities relating to the environment or the release of any materials into the environment ("**Environmental Laws**") and has delivered or will cause to be delivered copies of such permits, licenses and other authorizations to DHCD. The Debtor is and will remain in compliance with the terms and conditions of all such permits, licenses and authorizations, and is and will remain in compliance with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in any applicable Environmental Laws or in any regulation, code, plan, order, decree, judgment, injunction, notice or demand letter issued, entered, promulgated or approved thereunder. No notice, notification, demand, request for information, citation, summons or order has been issued, no complaint has been filed, no penalty has been assessed and no investigation or review is pending or threatened by any governmental or other entity with respect to (i) any alleged failure by the Debtor to have any Environmental Authorization required in connection with the conduct of the business of the Debtor; (ii) any generation, treatment, storage, recycling, transportation, disposal, or any release as defined in 42 U.S.C. §9601(22) ("**Release**") on, at, under, about or from any property or facility now, or in the past, owned, leased or operated by Debtor of any substance regulated under any Environmental Laws

("Hazardous Material"); or (iii) any arrangement by Debtor for disposal, treatment or transport of any Hazardous Material. No oral or written notification of a Release of a Hazardous Material has been filed by or on behalf of the Debtor and no property or facility now or previously owned, leased or operated by the Debtor is listed or proposed for listing on the National Priorities List under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, or on any similar state list of sites requiring investigation or clean-up. There are no liens arising under or pursuant to any Environmental Laws on any of the real property or properties owned or leased by the Debtor and no governmental actions have been taken or are in process which could subject any of such properties to such liens such that the Debtor would be required to place any notice or restriction relating to the presence of Hazardous Materials at any property owned by it in any deed of such property. There are no Hazardous Materials present on, in, at, under or about any real property or properties, owned or leased by the Debtor in amounts or concentrations or under circumstances that materially adversely affect the use or value of such property or properties.

3. Rights of DHCD and Duties of Debtor. If all or any part of the Collateral at any time consists of inventory, accounts, or chattel paper, (a) DHCD may at any time and from time to time both prior to and after the occurrence of an Event of Default hereunder, and the Debtor hereby irrevocably appoints DHCD as its attorney-in-fact (which appointment is coupled with an interest and is irrevocable), with power of substitution, in the name of DHCD or in the name of the Debtor or otherwise, for the use and benefit of DHCD, but at the cost and expense of the Debtor and without notice to the Debtor, to (i) notify the account debtors obligated on any of the Collateral to make payments thereon directly to DHCD, and to take control of the cash and non-cash proceeds of any such Collateral; (ii) compromise, extend, or renew any of the Collateral or deal with the same as it may deem advisable; (iii) release, make exchanges or substitutions for, or surrender all or any part of the Collateral; (iv) remove from the Debtor's place of business all books, records, ledger sheets, correspondence, invoices, and documents relating to or evidencing any of the Collateral or, without cost or expense to DHCD, make such use of the Debtor's place(s) of business as may be reasonably necessary to administer, control, and collect the Collateral; (v) repair, alter or supply goods, if any, necessary to fulfill in whole or in part the purchase order of any account debtor; (vi) demand, collect, receipt for, and give renewals, extensions, discharges, and releases of any of the Collateral; (vii) institute and prosecute legal and equitable proceedings to enforce collection of, or realize upon, any of the Collateral; (viii) settle, renew, extend, compromise, compound, exchange, or adjust claims with respect to any of the Collateral or any legal proceedings brought with respect thereto; (ix) endorse the name of the Debtor upon any Items of Payment relating to the Collateral or upon any proof of claim in bankruptcy against an account debtor; and (x) receive and open all mail addressed to the Debtor and, if an Event of Default exists hereunder, notify postal authorities to change the address for the delivery of mail to the Debtor to such address as DHCD may designate; and (b) the Debtor will (i) make no material change to the terms of any sale or lease of inventory or of any account or chattel paper without the prior written permission of DHCD; (ii) on demand, make available in form acceptable to DHCD shipping documents and delivery receipts evidencing the shipment of goods which gave rise to the sale or lease of inventory or of an account or chattel paper, completion certificates, or other proof of the satisfactory performance of services which gave rise to the sale or lease of inventory or of an account or chattel paper, copies of the invoices arising out of the sale or lease of inventory or for an account, and the Debtor's copy of any written contract or order from which the sale or lease of inventory, an account, or chattel paper arose; and (iii) when requested, regularly advise DHCD whenever an account debtor returns or refuses to retain any goods, the sale or lease of which gave rise to an account or chattel paper, and of any delay in delivery or performance, or claims made, in regard to any sale or lease of inventory, account, or chattel paper, and will comply with any instructions which DHCD may give regarding the sale or other disposition of such returns.

4. Performance by DHCD. If the Debtor fails to perform, observe, or comply with any of the conditions, terms, or covenants contained in this Agreement or in the other Loan Documents, DHCD, without notice to or demand upon the Debtor and without waiving or releasing any of the Liabilities or any Event of Default, may (but shall be under no obligation to) at any time thereafter perform such conditions, terms, or covenants for the account and at the expense of the Debtor, and may enter upon any place of business or other premises of the Debtor for that purpose and take all such action thereon as DHCD may consider necessary or appropriate for such purpose. All sums paid or advanced by DHCD in connection with the foregoing and all costs and expenses (including, without limitation, attorneys' fees and expenses) incurred in connection therewith (collectively, the "Expense Payments") together with interest thereon at a per annum rate of interest which is equal to the then highest rate of interest charged on the principal of any of the Liabilities, plus one percent (1%) per annum, from the date of payment until repaid in full, shall be paid by the Debtor to DHCD on demand and shall constitute and become a part of the Liabilities secured hereby.



5. Information Rights. Reference is hereby made to that certain Amended and Restated Investors' Rights Agreement, dated as of August 23, 2018 (as it may be amended from time to time, the "**IRA**"), by and among the Debtor and the investor parties thereto. Notwithstanding the fact that DHCD is not a Major Investor (as defined in the IRA), the Debtor hereby agrees, for so long as the Liabilities remain outstanding, to deliver to DHCD the financial statements and other information to be provided to a Major Investor as provided in Sections 3.1 and 3.2 of the IRA on the terms and conditions set forth therein as if DHCD were a Major Investor thereunder; provided, however, that notwithstanding the terms contained in the IRA, DHCD shall not be required to request such information and such information will automatically be provided to DHCD by Debtor within the time frames set forth in the IRA, subject to any securities laws and regulations that the Debtor and DHCD may be required to comply with as a result of the public offering of Debtor's equity securities. DHCD agrees that any confidential information provided to or learned by it in connection with its rights under this Agreement shall be subject to the confidentiality provisions set forth in Section 3.5 of the IRA.

6. Notice Regarding Disclosure of Information Relating to the Debtor. DHCD intends to make available to the public certain information regarding the Loan, the purpose for which Debtor uses the Loan proceeds (the "**Project**"), and the Debtor. In addition, DHCD is required to disclose information about the Project to the Board of Public works and the Maryland General Assembly and may desire to disclose such information to other State of Maryland officials or their staff, local government officials or their staff, and other lenders and funding sources. DHCD is also required to disclose information in response to a request for information made pursuant to the Public Information Act, General Provisions Article, Section 4-101 et seq. of the Annotated Code of Maryland (the "**PIA**"). Information that may be disclosed to any of the foregoing, including the public, may include, among other things, the name of the Debtor; the name, location, and description of the Project; the date and amount of financial assistance awarded by DHCD; the terms of the financial assistance; use of funds; information contained in the application for financial assistance; a copy of the application; and the sources, amounts and terms of other funding used to complete the Project, including capital contributions from the Debtor. Certain information may be exempt from disclosure under the PIA. Requests for disclosure of information made pursuant the PIA are evaluated on an individual basis by DHCD. If the Debtor believes that any of the information it has provided to DHCD is exempt from disclosure, Debtor should attach a statement to the DHCD's commitment letter describing the information it believes to be exempt from disclosure and provide an explanation therefor. DHCD cannot guarantee non-disclosure of such information but may consider Debtor's statement when responding to a request made pursuant to the PIA.

7. Indemnification. The Debtor shall indemnify DHCD and hold it harmless against any loss or expense (including reasonable attorneys' fees) resulting from any and all claims, actions, settlements, or liability for any act or failure to act by Debtor in connection with the Project or the Collateral; provided that this indemnification shall not apply to any of the foregoing to the extent incurred solely as the result of DHCD's gross negligence or willful misconduct.

8. Default. The occurrence of any one or more of the following events shall constitute an Event of Default ("**Event of Default**") under this Agreement: (a) failure of the Debtor to pay any of the Liabilities as and when due and payable; (b) failure of the Debtor to perform, observe, or comply with any of the provisions of this Agreement, the other Loan Documents or the Act; (c) the occurrence of an event of default (as defined therein) under any of the other Loan Documents; (d) if any representation or warranty, or any information contained in any financial statement, application, schedule, report, or any other document given by the Debtor or by any other person in connection with the Liabilities, with the Collateral, or with any of the Loan Documents is not in all respects true and accurate or if the Debtor or such other person failed to state any material fact or omitted any fact necessary to make such information not misleading; (e) the filing of any petition for relief under the Bankruptcy Code or any similar federal or state statute by or against the Debtor; (f) an application for the appointment of a receiver for, the making of a general assignment for the benefit of creditors by, or the insolvency of the Debtor; (g) the dissolution, consolidation, or reorganization of the Debtor; (h) the merger of Debtor without providing at least 30 days' advance written notice to DHCD; or (i) any change in the ownership of the Debtor without the prior written consent of DHCD.

9. Rights and Remedies upon Default. Upon the occurrence of an Event of Default hereunder (and in addition to all of its other rights, powers, and remedies under this Agreement), DHCD may, at its option, declare the unpaid balance of the Liabilities to be immediately due and payable without presentment, demand for payment, protest, or notice of any kind to Debtor, all of which are hereby waived. The occurrence or non-occurrence of an Event of Default shall in no manner impair the ability of DHCD to demand payment of any portion of the Liabilities which are

payable on demand. DHCD shall have all of the rights and remedies of a secured party under the Maryland Uniform Commercial Code and other applicable laws. Upon the occurrence of an Event of Default hereunder, the Debtor, upon demand by DHCD, shall assemble the Collateral and make it available to DHCD at a place designated by DHCD which is mutually convenient to both parties. Upon the occurrence of an Event of Default hereunder, DHCD or its agents may enter upon the Debtor's premises to take possession of the Collateral, to remove it, to render it unusable, or to sell or otherwise dispose of it, all without judicial process or proceedings.

Any written notice of the sale, disposition, or other intended action by DHCD with respect to the Collateral which is required by applicable laws and is sent by certified mail, postage prepaid, to the Debtor at the address of the Debtor's chief executive office specified below, or such other address of the Debtor which may from time to time be shown on DHCD's records, at least ten (10) days prior to such sale, disposition, or other action, shall constitute reasonable notice to the Debtor. The Debtor shall pay on demand all costs and expenses, including, without limitation, attorneys' fees and expenses incurred by or on behalf of DHCD (a) in enforcing the Liabilities, and (b) in connection with the taking, holding, preparing for sale or other disposition, selling, managing, collecting, or otherwise disposing of the Collateral. All of such costs and expenses (collectively, the "**Liquidation Costs**") together with interest thereon at a per annum rate of interest which is equal to the then highest rate of interest charged on the principal of any of the Liabilities, plus one percent (1%) per annum, from the date of payment until repaid in full, shall be paid by the Debtor to DHCD on demand and shall constitute and become a part of the Liabilities secured hereby. Any proceeds of sale or other disposition of the Collateral will be applied by DHCD to the payment of the Liquidation Costs and Expense Payments, and any balance of such proceeds will be applied by DHCD to the payment of the remaining Liabilities in such order and manner of application as DHCD may from time to time in its sole discretion determine.

10. Deficiency. If the sale or other disposition of the Collateral fails to fully satisfy the Liabilities, the Debtor shall remain liable to DHCD for any deficiency.

11. Miscellaneous. Each right, power, and remedy of DHCD as provided for in this Agreement or in the other Loan Documents or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power, or remedy provided for in this Agreement or in the other Loan Documents or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by DHCD of any one or more of such rights, powers, or remedies shall not preclude the simultaneous or later exercise by DHCD of any or all such other rights, powers, or remedies. No failure or delay by DHCD to insist upon the strict performance of any term, condition, covenant, or agreement of this Agreement or of the other Loan Documents, or to exercise any right, power, or remedy consequent upon a breach thereof, shall constitute a waiver of any such term, condition, covenant, or agreement or of any such breach, or preclude DHCD from exercising any such right, power, or remedy at any later time or times. By accepting payment after the due date of any of the Liabilities, DHCD shall not be deemed to have waived the right either to require payment when due of all other Liabilities or to declare an Event of Default for failure to effect such payment of any such other Liabilities. The Debtor waives presentment, notice of dishonor, and notice of non-payment with respect to accounts and chattel paper. The paragraph headings of this Agreement are for convenience only and shall not limit or otherwise affect any of the terms hereof. Neither this Agreement nor any term, condition, covenant, or agreement hereof may be changed, waived, discharged, or terminated orally but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge, or termination is sought. This Agreement shall be governed by the laws of the State of Maryland without regard to the principles of conflict of laws and shall be binding upon the heirs, personal representatives, successors, and assigns of the Debtor, as the case may be, and shall inure to the benefit of the successors and assigns of DHCD. The Loan is not a Consumer Transaction as defined in the Maryland Uniform Commercial Code and none of the Collateral has been or shall be purchased or held primarily for personal, family, or household purposes. As used herein, the singular number shall include the plural, the plural the singular, and the use of the masculine, feminine, or neuter gender shall include all genders, as the context may require, and the term "person" shall include an individual, a corporation, an association, a partnership, a trust, and an organization. Unless varied by this Agreement, all terms used herein which are defined by the Maryland Uniform Commercial Code shall have the same meanings hereunder as assigned to them by the Maryland Uniform Commercial Code.

*Signature(s) on following page*

The signature(s) and seal(s) of the Debtor are/is subscribed to this Agreement the day and year written above with the specific intention of creating a document under seal.

WITNESS:

DEBTOR: Clene Nanomedicine, Inc., a Delaware corporation

s/ Sally Dulin

By: s/ Mark Mortenson (SEAL)  
Name: Mark Mortenson  
Title: Chief Science Officer

Address of Debtor's Principal Office:

500 Principio Parkway West  
Suite 400  
North East, MD 21901

Exhibit A – Collateral

**NBDP SECURITY AGREEMENT**

**EXHIBIT A**

Address where Collateral  
is or is to be located:

100 Chesapeake Blvd.  
Elkton, MD 21901

Address(es) of other place(s)  
of business of the Debtor:

500 Principio Parkway Way  
Suite 400, North East, MD 21901

6550 South Millrock Drive, Suite G50  
Salt Lake City, Utah 84121

Previous legal and/or trade name(s) of the Debtor:

(1) CLENE NANOMEDICINE, LLC

(2) \_\_\_\_\_

**COLLATERAL**

All of the equipment and other items purchased with the proceeds of the Loan (including, but not limited to, the equipment described below), both now owned and hereafter acquired (including, without limitation, all books, records and data processing materials in any form documenting, describing or in any way relating to any or all of the items purchased with the proceeds of the Loan, whether in the possession of the Debtor or any other person), together with (i) all additions, parts, fittings, accessories, special tools, attachments, and accessions now and hereafter affixed thereto and/or used in connection therewith, (ii) all replacements thereof and substitutions therefor, and (iii) all cash and non-cash proceeds and products thereof, including all proceeds of casualty insurance for loss of the items or any part thereof.

<b>Equipment</b>	<b>Qty.</b>	<b>Note</b>
10,000 Gallon SS pre-production tanks	3	
4,000 Gallon SS Product Tanks	6	
10,000 Gal. SS Water Storage Tanks	2	For USP water storage and water recycling
Bulk concentration equipment	3	SS holders for filters and associated pumps
Final concentration equipment	3	SS holder for filters and SS vessel
Filter/Bottling equipment	1	Automated filling line with environmental isolation
Packaging	1	Packaging post fill

Collateral includes any renewals, replacements, modifications, extensions, substitutions or amendments thereto.

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## NEIGHBORHOOD BUSINESS DEVELOPMENT PROGRAM

## DISBURSEMENT AGREEMENT

**THIS NEIGHBORHOOD BUSINESS DEVELOPMENT PROGRAM DISBURSEMENT AGREEMENT** (this “**Agreement**”) is made as of the 17th day of May, 2022, by and between CLENE NANOMEDICINE, INC., a Delaware corporation (the “**Borrower**”) and the DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, a principal department of the State of Maryland (“**DHCD**”).

Recitals

A. DHCD has agreed to make a loan to the Borrower in the maximum principal amount of Three Million and 00/100 Dollars (\$3,000,000) (the “**Loan**”), evidenced by a commercial promissory note of even date executed by the Borrower payable to DHCD in the principal amount of the Loan (the “**Note**”) and secured by certain personal property (the “**Assets**”) related to the production of pharmaceutical drugs to treat Multiple Sclerosis, ALS and Parkinson’s disease and more particularly described in a security agreement (the “**Security Agreement**”) of even date herewith.

B. The Loan is being made by DHCD to the Borrower under DHCD’s Neighborhood Business Development Program pursuant to §§6-301 through 6-311 in of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, and the regulations promulgated thereunder (collectively, the “**Act**”).

C. The Loan shall be used to purchase the Assets.

D. DHCD has agreed to provide the Loan, and to disburse the proceeds of the Loan to the Borrower, upon the terms and conditions set forth herein.

**NOW, THEREFORE**, in consideration of the Recitals and for other good and valuable considerations, the receipt, adequacy, and sufficiency of which are hereby acknowledged, DHCD and the Borrower hereby agree as follows:

1. The Loan. The terms, conditions, obligations, and responsibilities set forth in this Agreement shall continue and remain in force until all amounts due under the Note have been paid in full and performed. Subject to the terms of this Agreement, the Borrower shall use the proceeds of the Loan to purchase the Assets.

2. Completion Date. The Borrower agrees to submit Disbursement Requests (defined below) to purchase the Assets within two (2) years from the date of this Agreement (the “**Completion Date**”). The Completion Date for purchasing the Assets may be extended with the prior written consent of DHCD, and subject to such conditions as DHCD may require.

3. Disbursements. DHCD shall disburse Loan funds to the Borrower (each, a “**Disbursement**”) pursuant to the Disbursement Request attached hereto as Exhibit A, for the approved purchases, upon the Borrower’s written request delivered to DHCD (the “**Disbursement Request**”). Each Disbursement Request must be accompanied by documentation acceptable to DHCD which identifies the items purchased or to be purchased with the Loan proceeds, including a bill of sale or invoice, serial number (if applicable), and any other information required by DHCD. DHCD may, in its sole discretion, require that the financing statements or priority of liens agreement with other lenders relating to the Assets be amended to include the items Borrower has purchased or intends to purchase prior to disbursing the Loan funds for such purchase.

3.1. Inspections. DHCD and its agents shall have the right to enter the premises on which the Assets are located to ascertain that the Borrower is maintaining the Assets in accordance with the Security Agreement, the Note and any other document executed in connection with the Loan (the “**Loan Documents**”).

3.2. Use of Proceeds. The Borrower covenants to use all Disbursements solely for the purpose or purposes set forth in the applicable Disbursement Request.

3.3. Undisbursed Proceeds. If the Loan proceeds have not been disbursed by the Completion Date, DHCD shall reduce the Loan amount by any undisbursed Loan proceeds.

3.4. No Obligation to Disburse. DHCD shall have no obligation to disburse Loan proceeds other than as set forth in this Agreement.

3.5. Security Agreement and Financing Statements. Prior to approving a Disbursement Request, DHCD may require, in its sole discretion, that the parties (i) amend the Security Agreement; and (ii) supplement the financing statements filed in the Maryland State Department of Assessments and Taxation and/or recorded among the land records of Cecil County, in order to describe the Asset(s) that have been or will be purchased with the proceeds of such Disbursement Request.

3.6. Insurance. The Borrower will insure the Assets against such casualties and risks in such form and amount as may from time to time be required by DHCD. Within ten (10) days of the purchase or commencement of installation of any Asset, Borrower will provide to DHCD evidence of such insurance, with an endorsement page naming DHCD as lender's loss payable, in amounts and with coverages acceptable to DHCD, to cover potential loss or damage to such Asset. DHCD may, in its sole discretion, withhold disbursement to purchase or reimburse Borrower for an Asset until it has received satisfactory evidence of insurance.

4. Conditions Precedent To All Disbursements. DHCD shall not be obligated make a Disbursement unless the Borrower is in full compliance with the terms of, and no Event of Default or default shall be then occurring, under the Loan Documents.

5. Special Covenants.

5.1. Title to Assets. The Borrower agrees that it is, or upon purchase, will be the sole owner of the Assets and has good and marketable title to the Assets free and clear of all liens, security interests, and other encumbrances except those in favor of DHCD and those previously disclosed to DHCD in writing.

5.2. Neighborhood Business Development Program. The Borrower agrees to adhere to and comply with the Act.

6. Defaults and Remedies.

6.1. Event of Default. It shall be an Event of Default under this Agreement if:

(a) The Borrower fails to purchase the Assets on or before the Completion Date, as may be extended from time to time;

(b) The Borrower or any other party fails to comply with the terms, requirements, conditions, and covenants of any of the Loan Documents; or

(c) Any representation made in any document submitted to DHCD in connection with the Loan is determined by DHCD to have been untrue when made or at any time after that becomes untrue in a material, adverse manner.

6.2. Remedies. Upon the occurrence of an Event of Default hereunder, DHCD may, in addition to any other rights and remedies it may have against the Borrower under any of the other Loan Documents, at law or in equity:

(a) Terminate this Agreement and seek repayment of sums advanced;

- (b) Withhold further disbursement of the Loan until such Event of Default is cured; and
- (c) Apply any funds of the Borrower to any sums due under any of the Loan Documents.

6.3. Attorney-in-Fact. The Borrower hereby constitutes and appoints DHCD its true and lawful attorney-in-fact, with full power of substitution, which appointment is deemed coupled with an interest and is irrevocable, to carry out any of actions set forth in Section 6.2 above.

6.4. Payment of Expenses. Any sums expended by DHCD to enforce any of the provisions of any of the Loan Documents and any of DHCD's rights and remedies thereunder, shall be added to the principal sum due under the Note, are secured by the Security Agreement, considered as additional financing, and must be repaid by the Borrower.

7. Miscellaneous. This Agreement shall be governed by, and construed under, the internal laws of the State of Maryland without regard to its principles of conflict of laws. Except as otherwise provided herein, whenever any approval or notice by DHCD is required or permitted, only the Secretary of DHCD or an authorized designee shall have the power and right to approve, give notice, or act on behalf of DHCD. This Agreement shall be binding on the parties hereto and their respective successors and DHCD's assigns. No failure by DHCD to exercise and no delay in exercising any right, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The Borrower agrees to indemnify and hold DHCD harmless against any and all claims of bodily injury and property damage arising during construction or rehabilitation, and any other costs, expenses, or claims, and to include DHCD as an additional insured in all liability insurance. Within five (5) business days after demand, the Borrower will furnish to DHCD a written statement, duly acknowledged, of the amounts advanced to it under this Agreement and whether any offsets or defenses exist thereunder. All notices to the Borrower shall be sent registered or certified mail, postage prepaid, return receipt requested, to the Borrower's address set forth in the Security Agreement, and shall be effective when mailed. Any notice, request, or demand made to the Borrower, in fact received, shall be sufficient notice, request, or demand. All notices to DHCD shall be effective when written notice is received in hand by DHCD. Either party may change its address by giving notice to the other. Time is of the essence of this Agreement. No amendment or modification to this Agreement shall be effective unless in writing, executed by the Borrower and DHCD. This Agreement may be executed in any number of counterparts and each such counterpart shall be deemed to be an original but all of which shall constitute one and the same instrument.

**[Signature(s) to follow on next page]**

IN WITNESS WHEREOF, the Borrower and DHCD have executed this Agreement.

WITNESS/ATTEST:

CLENE NANOMEDICINE, INC., a Delaware corporation

s/ Morgan Brown

By: s/ Robert Etherington (SEAL)  
Robert Etherington, President and Chief Executive Officer

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, a  
principal department of the State of Maryland

By: s/ Michael J. Haloskey, III (SEAL)  
Michael J. Haloskey, III, Director  
Business Lending Programs



Exhibit A

[Omitted pursuant to Regulation S-K, Item 601(a)(5). We agree to furnish supplementally a copy of such omitted materials to the SEC upon request.]

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## PROMISSORY NOTE

\$3,000,000

North East, Maryland  
May 17, 2022

**FOR VALUE RECEIVED**, CLENE NANOMEDICINE, INC., a Delaware corporation (“**Borrower**”) promises to pay to the order of the DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, a principal department of the State of Maryland (“**DHCD**”) the sum of THREE MILLION AND 00/100 Dollars (\$3,000,000.00) (the “**Loan**”), or so much thereof as has been or may be advanced to, or for the account of, the Borrower (the “**Principal Sum**”), together with interest payable as set forth below.

1. The Borrower promises to pay DHCD the Principal Sum of this Note, together with interest on the Principal Sum at the rate of six percent (6%) per annum, and all assessments, taxes and premiums as follows:

The Loan shall mature on the date that is sixty (60) months from the first (1st) day of the second (2nd) full month following the date the Loan closes (the “**Maturity Date**”). The first twelve (12) payments for the Loan, commencing on the first (1st) day of the second (2nd) full month following the date the Loan closes, shall be deferred. Immediately thereafter, there shall be eighteen (18) consecutive monthly installments of interest only, due on the first (1st) day of each month, for a total of eighteen (18) months. Thereafter, there shall be thirty (30) consecutive monthly installments of principal and interest, based on an amortization of ten (10) years, in the amount of Fifteen Thousand and 00/100 Dollars (\$15,000). Payments shall be due in arrears on the first (1st) day of each month, with a balloon payment of all accrued and unpaid interest and the principal balance of the Loan due and payable on the Maturity Date. Interest will accrue on funds actually advanced from the date of each advance. Interest will be charged on a basis of a 360-day year composed of twelve thirty-day months and applied to actual days elapsed. Each payment required hereunder shall be made when due, even if at that time the full amount of the Loan has not yet been advanced. Any regular scheduled monthly payment that is received by DHCD before the date it is due shall be deemed to have been received on the due date solely for the purpose of calculating interest.

2. The Borrower may prepay, without penalty, any sums due under this Note, in whole or in part, without the prior written consent of DHCD.

3. The obligations of the Borrower evidenced by this Note may be secured by, guaranteed by, and are part of the obligations referred to in, any security agreement, guaranty agreement, deed of trust, pledge agreement, loan agreement, or any other binding document previously, simultaneously, or hereafter executed and delivered by the Borrower or by any other party (collectively, the “**Loan Documents**”) as security for, as a guaranty of, or in connection with, obligations of the Borrower or any other person to DHCD or to any other Holder (as hereinafter defined) of this Note, whether or not this Note is specifically referred to therein.

4. All payments, including permitted prepayments, made on account of this Note (a) shall be paid in lawful money of the United States of America during regular business hours at c/o AmeriNat LLC, P.O. Box 650402, Dallas, Texas 75265-0402, or at such other place as the Holder of this Note may at any time or from time to time designate in writing to the Borrower, and (b) shall be applied first, to the payment of any and all accrued and unpaid late charges then due hereunder; second, to the payment of any outstanding or then due prepayment fees, if any; third, to the payment of any outstanding collection and/or enforcement costs and/or fees incurred by, or on behalf of, DHCD, in connection with the collection and/or enforcement of any of the Borrower's obligations to DHCD evidenced by this Note or any of the other Loan Documents; fourth, to the payment of any and all accrued and unpaid interest; and the remainder, if any, shall be applied to the Principal Sum, with application first made to all installments then due and outstanding hereunder, next to the outstanding principal balance due and owing at maturity, and then to the installments in the inverse order of their maturities. All payments shall be deemed made when received by DHCD in collected funds.

5. If the Borrower fails to make any payment under the terms of this Note within ten (10) days after the date such payment is due, the Borrower agrees to pay to DHCD on demand a Late Charge (“**Late Charge**”) equal to five percent (5%) of the amount of such payment. Such ten (10) day period shall not be construed as in any way extending the due date of any payment. The Late Charge is imposed for the purpose of defraying DHCD's expenses incident to handling such delinquent payment. This Late Charge shall be in addition to, and not in lieu of, any other remedy DHCD may have and is in addition to any fees and charges of any agents or attorneys that DHCD may employ upon any Event of Default (hereinafter defined) hereunder, whether authorized herein or by law. Such Late Charge, if not previously paid, shall, at the option of DHCD, be added to, and become part of, the succeeding payment to be made under the terms of this Note.

6. Each Obligor (as used herein, “**Obligor**” shall include the Borrower and each endorser, guarantor, accommodation party, and surety of this Note) hereby severally waives valuation and appraisal; presentment for payment; protest and demand; notice of demand, of dishonor, of non-payment of this Note, and of protest; and agrees that at any time and from time to time and with or without consideration, the Holder may, without notice to, or further consent of, any Obligor and without in any manner releasing, lessening, impairing, or affecting the obligations of any Obligor hereunder and/or under any of the Loan Documents: (a) release, surrender, waive, add, substitute, settle, exchange, compromise, modify, extend, or grant indulgences with respect to, (i) this Note, (ii) any of the Loan Documents, (iii) all or any part of any collateral or security for this Note, and (iv) any Obligor; (b) complete any blank space in this Note according to the terms upon which the Loan evidenced hereby is made; and (c) grant any extension or other postponements of the time of payment hereof. Notwithstanding anything to the contrary contained herein this Note may not be modified without the consent of the Borrower. If the Borrower consists of two (2) or more parties the term “**Borrower**” as used herein means each of such parties, jointly and severally, and their obligations hereunder are joint and several. The Holder may (without notice to, or consent of, any of the Borrowers or any other Obligor, and with or without consideration) release, compromise, settle with, or proceed against any one or more of the Borrowers or any other Obligor without releasing, lessening, impairing, or affecting the obligations hereunder or under any of the Loan Documents of the other or others, of the Borrower, or any other Obligor. The term “**Holder**” as used herein means the holder of this Note, including DHCD, its successors and assigns.

7. (a) The occurrence of any one or more of the following events shall constitute an Event of Default (“**Event of Default**”) under this Note: (i) the failure of the Borrower to pay when due any amount required to be paid under this Note or any of the other Loan Documents; (ii) the failure of any Obligor to perform or comply with any of the provisions hereof and/or any of the Loan Documents; (iii) the occurrence of a default or Event of Default (as defined therein) under any of the Loan Documents; (iv) failure to maintain a status of good standing with the State of Delaware or with the Maryland Department of Assessments and Taxation (v) the failure of any Obligor to furnish to DHCD financial statements as required by DHCD by the Loan Documents; (vi) if any information contained in any financial statement, application, schedule, report, or any other document given by the Borrower or any other party in connection with the obligations of the Borrower evidenced by this Note or any of the Loan Documents is not in all respects true and accurate or if the Borrower or such other party failed to state or omitted any material fact or any fact necessary to make such information not misleading; (vii) the filing of any petition under the Bankruptcy Code or any similar federal or state statute by or against any Obligor; (viii) an application for the appointment of a receiver for, the making of a general assignment for the benefit of creditors by, or the insolvency of, any Obligor; (ix) the dissolution, consolidation, or reorganization of any Obligor; or (x) the merger of any Obligor without providing at least 30 days’ advance written notice to DHCD. (b) Whenever there is an Event of Default under this Note, DHCD may, at its option, (i) accelerate the repayment of the unpaid balance of the Principal Sum, together with all unpaid and accrued interest thereon and other amounts outstanding in connection therewith, to be immediately due and payable, and (ii) exercise any or all rights and remedies available to it hereunder, under applicable laws and under any of the Loan Documents. The occurrence or non-occurrence of an Event of Default shall in no manner impair the ability of the Holder to demand payment of any portion of the indebtedness evidenced by this Note that is payable on demand.

8. If this Note is placed in the hands of an attorney for collection after maturity (whether by acceleration, declaration, extension or otherwise), the Borrower shall pay on demand all costs and expenses of collection including the reasonable fees of such attorney.

9. Each right, power, and remedy of the Holder hereunder, under the Loan Documents, or under applicable laws shall be cumulative and concurrent, and the exercise of any one or more of them shall not preclude the simultaneous or later exercise by the Holder of any or all such other rights, powers, or remedies. No failure or delay

by the Holder to insist upon the strict performance of any one or more provisions of this Note or of the Loan Documents or to exercise any right, power, or remedy consequent upon a breach thereof or Event of Default hereunder shall constitute a waiver thereof, or preclude the Holder from exercising any such right, power, or remedy. By accepting full or partial payment after the due date of any amount due hereunder, the Holder shall not be deemed to have waived the right either to require payment when due and payable of all other amounts due on account of this Note or to exercise any rights and remedies available to it in order to collect all such amounts. No modification, change, waiver, or amendment of this Note shall be deemed to be made by the Holder unless in writing signed by the Holder, and each such waiver, if any, shall apply only with respect to the specific instance involved. This Note shall be deemed made in, and shall be governed by the laws of, the State of Maryland without regard to any provision of its principles of conflict of laws that would require the use of the laws of another jurisdiction. The Borrower hereby warrants and stipulates that the Loan is a Commercial Loan within the meaning of Section 12-101(c)(1) and 12-101(c)(2) of the Commercial Law Article of the Annotated Code of Maryland as amended from time to time, and further warrants that the entire proceeds of the Loan will be used for such purposes.

10. In the event any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal, or unenforceable, in whole or in part or in any respect, or in the event that any one or more the provisions of this Note operate or would prospectively operate to invalidate this Note, then and in either of those events, such provision or provisions only shall be deemed null and void and shall not affect any other provision of this Note and the remaining provisions of this Note shall remain operative and in full force and effect and shall in no way be affected, prejudiced, or disturbed thereby.

11. CONFESSION OF JUDGMENT. IF THE PRINCIPAL AMOUNT OF THIS NOTE, ANY INSTALLMENT OF INTEREST OR PRINCIPAL, OR ANY OTHER PAYMENT DUE UNDER THIS NOTE IS NOT PAID WHEN DUE, WHETHER BY MATURITY, ACCELERATION OR OTHERWISE, EACH OBLIGOR WHO SIGNS THIS INSTRUMENT HEREBY AUTHORIZES AND EMPOWERS ANY ATTORNEY OR CLERK OF ANY COURT OF RECORD IN THE UNITED STATES OR ELSEWHERE TO APPEAR FOR AND, WITH OR WITHOUT DECLARATION FILED, CONFESS JUDGMENT AGAINST IT AND IN FAVOR OF THE HOLDER OF THIS NOTE, AT ANY TIME, WITHOUT A PRIOR HEARING, AND IN THE AMOUNT OF THE OUTSTANDING PRINCIPAL BALANCE OF THIS NOTE, ALL ACCRUED AND UNPAID INTEREST, OUTSTANDING FEES AND LATE CHARGES, AND ALL OTHER AMOUNTS PAYABLE TO THE HOLDER UNDER THE TERMS OF THIS NOTE, INCLUDING COSTS OF SUIT AND REASONABLE ATTORNEY'S FEES INCURRED AS A RESULT OF, RELATED TO, OR IN CONNECTION WITH ANY DEFAULT UNDER THE NOTE AND ANY EFFORTS TO COLLECT ANY AMOUNT DUE UNDER THE NOTE OR ANY JUDGMENTS ENTERED THEREON. THE AUTHORITY AND POWER TO APPEAR FOR AND ENTER JUDGMENT AGAINST ANY OBLIGOR ON THIS NOTE SHALL NOT BE EXHAUSTED BY ONE OR MORE EXERCISES THEREOF OR BY ANY IMPERFECT EXERCISE THEREOF; SUCH AUTHORITY MAY BE EXERCISED ON ONE OR MORE OCCASIONS OR FROM TIME TO TIME IN THE SAME OR DIFFERENT JURISDICTION AS OFTEN AS HOLDER SHALL DEEM NECESSARY AND DESIRABLE, FOR ALL OF WHICH THIS NOTE SHALL BE SUFFICIENT WARRANT; IF ENFORCEMENT OF THIS NOTE RESULTS IN HOLDER OBTAINING A MONEY JUDGMENT AGAINST ANY OBLIGOR ON THIS NOTE, HOLDER'S RIGHT TO APPEAR AND CONFESS JUDGMENT FOR AMOUNTS DUE, INCLUDING THE PAYMENT AND REIMBURSEMENT OF ATTORNEY'S FEES AND COSTS ARISING AFTER THE ENTRY OF JUDGMENT (INCLUDING WITHOUT LIMITATION ATTORNEY'S FEES AND COSTS INCURRED TO COLLECT THE JUDGMENT OR LIQUIDATE AND COLLECT ANY COLLATERAL PLEDGED IN CONNECTION WITH THIS NOTE OR ANY OF THE OTHER LOAN DOCUMENTS) SHALL NOT BE EXTINGUISHED BY OR MERGED INTO ANY SUCH JUDGMENT BUT SHALL SURVIVE THE JUDGMENT AS A CLAIM AGAINST ANY SUCH OBLIGOR AND ANY SUCH COLLATERAL. EACH OBLIGOR ON THIS NOTE HEREBY WAIVES AND RELEASES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ALL PROCEDURAL ERRORS AND ALL RIGHTS OF EXEMPTION, APPEAL, STAY OF EXECUTION, INQUISITION, AND EXTENSION UPON ANY LEVY ON REAL ESTATE OR PERSONAL PROPERTY TO WHICH SUCH OBLIGOR MAY OTHERWISE BE ENTITLED UNDER THE LAWS OF THE UNITED STATES OF AMERICA OR OF ANY STATE OR POSSESSION OF THE UNITED STATES OF AMERICA NOW IN FORCE AND WHICH MAY HEREINAFTER BE ENACTED. EACH OBLIGOR ON THIS NOTE HEREBY WAIVES AND RELEASES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ALL PROCEDURAL ERRORS AND ALL RIGHTS OF EXEMPTION, APPEAL, STAY OF EXECUTION, INQUISITION, AND EXTENSION UPON ANY LEVY ON REAL ESTATE OR PERSONAL PROPERTY TO WHICH SUCH OBLIGOR MAY OTHERWISE BE ENTITLED UNDER THE

*Signature(s) to follow on next page*

IN WITNESS WHEREOF, the signature(s) and seal(s) of the Borrower are subscribed to this Note as of the day and year written above with the specific intention of creating a document under seal.

WITNESS:

BORROWER:

CLENE NANOMEDICINE, INC., a Delaware corporation

s/ Sally Dulin

By: s/ Mark Mortenson (SEAL)  
Name: Mark Mortenson  
Title: Chief Science Officer

## Clene Receives \$3 Million Loan from State of Maryland to Support Development of Commercial Manufacturing Facility

*\$3 million 60-month loan to support capital equipment purchases in new 75,000-square-foot facility in Elkton, Maryland, for manufacture of Clene's lead drug candidate, CNM-Au8<sup>®</sup>, for treatment of ALS*

SALT LAKE CITY, May 19, 2022 -- Clene Inc. (NASDAQ: CLNN) along with its subsidiaries “Clene” and its wholly owned subsidiary Clene Nanomedicine, Inc., a clinical-stage biopharmaceutical company focused on revolutionizing the treatment of neurodegenerative disease, today announced that the Maryland Board of Public Works has finalized a \$3 million loan facility with Clene Nanomedicine. The loan was provided by the state's Neighborhood BusinessWorks program within the Maryland Department of Housing and Community Development.

This non-dilutive loan for capital equipment purchases will support the expansion of Clene's operations in Cecil County, Maryland, at a new commercial manufacturing facility for production of its lead drug candidate, CNM-Au8<sup>®</sup>, a gold nanocrystal suspension. The purchased capital equipment will secure the loan. This expansion is aligned with Clene's anticipation of the potential commercialization of CNM-Au8 as a treatment for amyotrophic lateral sclerosis (ALS). Clene expects topline data in the third quarter of 2022 from a Phase 2/3 registrational study, the HEALEY ALS Platform trial, evaluating CNM-Au8 in ALS patients.

“These funds enable Clene to accelerate our infrastructure buildout without the need for dilutive capital as we work toward commercial-scale manufacturing of CNM-Au8,” said Mark Mortenson, Founder & Chief Scientific Officer of Clene Nanomedicine. “We appreciate the continued financial support from the state of Maryland, the town of Elkton, and Cecil County. This loan is another great example of public-private partnerships that support continued investment in activities that create high-value pharmaceutical manufacturing jobs, specifically producing nanotherapeutics at Clene that have the potential to improve the lives of people living with neurodegenerative diseases.”

When fully developed and operational, Clene's 75,000-square-foot facility is expected to bring hundreds of new jobs to Cecil County in a federally Qualified Opportunity Zone in Elkton, Maryland.

### **About CNM-Au8<sup>®</sup>, a gold nanocrystal suspension**

CNM-Au8 is an oral suspension of gold nanocrystals developed to restore neuronal health and function by increasing energy production and utilization. The catalytically-active nanocrystals of CNM-Au8 drive critical cellular energy producing reactions that enable neuroprotection and remyelination by increasing neuronal and glial resilience to disease-relevant stressors. CNM-Au8<sup>®</sup> is a federally registered trademark of Clene Nanomedicine, Inc.

### **About Clene**

Clene is a clinical-stage biopharmaceutical company focused on revolutionizing the treatment of neurodegenerative disease by targeting energetic failure, an underlying cause of many neurological diseases. The company is based in Salt Lake City, Utah, with R&D and manufacturing operations in Maryland. For more information, please visit <https://clene.com> or follow us on Twitter, LinkedIn, and Facebook.

### **Forward-Looking Statements**

This press release contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended, which are intended to be covered by the “safe harbor” provisions created by those laws. Clene's forward-looking statements include, but are not limited to, statements regarding our or our management team's expectations, hopes, beliefs, intentions or strategies regarding our future operations. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. These forward-looking statements represent our views as of the date of this press release and involve a number of judgments, risks and uncertainties. We anticipate that subsequent events and developments will cause our views to change. We undertake no obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. Accordingly, forward-looking statements should not be relied upon as representing our views as of any subsequent date. As a result of a number of known and unknown risks and uncertainties, our actual results or performance may be materially different from those expressed or implied by these forward-looking statements. Some factors that could cause actual results to differ include our substantial dependence on the successful commercialization of our drug candidates, if approved, in the future; our ability to demonstrate the efficacy and safety of our drug candidates; the clinical results for our drug candidates, which may not support further development or marketing approval; actions of

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regulatory agencies; our ability to achieve commercial success for our drug candidates, if approved; our ability to obtain additional funding for operations; the effects of inflation; the effects of staffing and materials shortages; the possibility that we may be adversely affected by other economic, business, and/or competitive factors; and other risks and uncertainties set forth in “Risk Factors” in our most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q. In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this press release, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and you are cautioned not to rely unduly upon these statements. All information in this press release is as of the date of this press release. The information contained in any website referenced herein is not, and shall not be deemed to be, part of or incorporated into this press release.

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Source: Clene Inc.

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