

Biosynergy, Inc.

## **Biosynergy Announces Agreement for Sale of Assets**

**Elk Grove Village, Illinois (November 30, 2021)** – Biosynergy, Inc. (“Biosynergy”) announced today that on November 23, 2021, Biosynergy, Inc. (“Biosynergy” or the “Company”) entered into an Asset Purchase Agreement (the “Agreement”) with LCR Hallcrest, LLC (“Hallcrest”) for the sale of substantially all of the Company’s assets to Hallcrest for total consideration of \$1,500,000, subject to adjustment for inventory value (the “Transaction”). Pursuant to the Agreement, Hallcrest will acquire the Company’s entire product line, and all tangible assets and technology owned by the Company. The Transaction is expected to close in late December, 2021 or early January, 2022, subject to satisfaction or waiver of customary closing conditions, including court approval (described below). The Agreement contains customary representations, warranties and covenants of Biosynergy and Hallcrest. Ten percent (10%) of the purchase price will be held in escrow for six (6) months after closing as security for the representations and warranties made by Biosynergy in the Agreement. All of the proceeds from the sale of its assets, less expenses of the Transaction and dissolution of the Company, and existing cash assets will be distributed by Biosynergy to its shareholders. Hallcrest has been manufacturing the Company’s products since July 15, 2021 pursuant to a Contract Manufacturing Agreement dated August 6, 2021. Hallcrest is not otherwise affiliated with Biosynergy other than as a contract purchaser under the Agreement.

The Agreement contemplates the Transaction will be implemented through proceedings pursuant to 805 ILCS 5/12.05 et seq. of the Illinois Business Corporations Act. On November 24, 2021, Biosynergy filed a verified complaint (the “Complaint”) with the Circuit Court of Cook County, Illinois, Chancery Division, (the “Court”), Case No. 2021CH05951 seeking a judicial dissolution and sale of Biosynergy’s assets pursuant to 805 ILCS 5/12.05 et seq. of the Illinois Business Corporations Act. The complaint alleges that Biosynergy is a small publically traded company that has run out of viable options to continue in business for the benefit of its shareholders, or for the medical customers it serves. A Court ordered dissolution and sale will enable Biosynergy to close the Transaction without the cost of a shareholders’ meeting. Because this is not a bankruptcy or insolvency situation, Biosynergy’s creditors will not lose money or be harmed in any way. If the relief Biosynergy seeks is granted—a judicially approved dissolution and sale under the terms of the Agreement—then every debt the Company has will be paid in full and all proceeds remaining after the Company is sold, less expenses of the Transaction and dissolution, will be paid to the shareholders. In the event Biosynergy is unable to obtain the relief sought from the Court, Biosynergy will attempt to obtain shareholder approval for the Transaction.

The Agreement may be terminated (i) by the mutual consent of Hallcrest and Biosynergy, (ii) by either Hallcrest or Biosynergy if the other party materially breaches the Agreement and fails to cure such breach or such breach causes the failure of certain closing conditions, or (iii) if the closing conditions, including obtaining the order of the Court for dissolution and sale or shareholder approval, are not met by March 31, 2022.

The foregoing description of the Agreement and the Transaction contemplated by the Agreement does not purport to be complete and is qualified in its entirety by reference to the Agreement, a copy of which is attached as Exhibit 10.1 to the Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on November 30, 2021, and is incorporated by reference therein.

### **About Biosynergy, Inc.**

Biosynergy, Inc. is a leading manufacturer of quality control products specifically designed to assist the medical, food, laboratory, and industrial markets in making sure they distribute and deliver safe and effective products to the general public.

This news release may contain forward looking statements within the meaning of Section 27-A of the Securities Act of 1933, as amended, and Section 21-E of the Securities Act of 1934, as amended. The Company's actual results could differ materially from those set forth in the forward-looking statements, as a result of the risks associated with the Company's business, changes in general economic conditions, and changes in the assumptions used in making such forward-looking statements.