

May 16, 2022



# GT Biopharma Reports First Quarter Fiscal 2022 Financial Results and Business Update

- Presented pre-clinical data at American Association for Cancer Research (AACR 2022), demonstrating GTB-5550 (cam16-IL15-camB7H3) Tri-specific Killer Engager (TriKE®) driving NK cell activation and ADCC against head and neck squamous cell carcinomas
- GT Biopharma to participate in upcoming HC Wainwright investor and EHA medical meeting conference
- \$26.7 million in cash, cash equivalents and short-term investments as of March 31, 2022, is expected to provide ample runway to fund operations into 2023.

BRISBANE, Calif., May 16, 2022 (GLOBE NEWSWIRE) -- GT Biopharma, Inc. (the "Company") (NASDAQ: GTBP), a clinical stage immuno-oncology company focused on developing innovative therapeutics based on the Company's proprietary natural killer (NK) cell engager, TriKE® platform, today announced first quarter fiscal 2022 results for the period ended March 31, 2022.

"We look forward to advancing pipeline development of GT Biopharma's novel Tri-specific NK cell engager (TriKE®) platform technology in 2022," said Michael Breen, Executive Chairman and Interim CEO of GT Biopharma. "Our efforts to date, have been underpinned by substantial preclinical data targeting several oncology indications in addition to leveraging the promising results of our GTB-3550 Phase 1 trial. Most recently, we presented results of our GTB-5550 pre-clinical candidate at AACR. We continue to believe our product candidates have the potential to overcome some of the limitations of CAR-T therapy and other antibody therapies. Moreover, GT Biopharma's TriKE nanobody technology, continues to show in preclinical studies the ability to produce a more potent and lasting response in the treatment of solid, refractory and metastatic cancers."

## Quarterly Highlights

- Attended AACR Annual Meeting 2022 and presented poster presentation on GTB-5550 (cam16-IL15-camB7H3) Tri-specific Killer Engager (TriKE®) in driving NK cell activation and antibody dependent cellular cytotoxicity (ADCC) against Head and Neck Squamous Cell Carcinomas but not healthy tissue

## Upcoming Conference Participation

- GT Biopharma will participate in the following upcoming investor and medical meeting

conferences:

- H.C. Wainwright Global Investment Conference Hybrid Event (May 23-26, 2022), Fontainebleau Hotel in Miami Beach, Miami, Florida
- The 30<sup>th</sup> Annual European Hematology Association (EHA) Congress 2022 (June 9-12), Vienna, Austria

## **First Quarter Fiscal 2022 Financial Summary**

**Cash Position:** The Company had total cash, cash equivalents and short-term investments of \$26.7 million as of March 31, 2022, compared to \$32.0 million as of December 31, 2021. This is expected to provide ample runway to fund operations into 2023.

**Research and Development (R&D) Expenses:** R&D expenses for the first quarter of 2022 were \$2.1 million compared to \$1.6 million in the same quarter a year ago. R&D expenses increased primarily due to hiring of additional staff and the continued development and production of our most advanced TriKE<sup>®</sup> product candidates GTB-3650 and GTB-5550.

**General and Administrative (G&A) Expenses:** G&A expenses for the first quarter of 2022 were \$3.4 million compared to \$27.4 million in the same quarter a year ago. G&A expenses decrease was primarily attributable to the reduction in stock-based compensation and other one-time expenses incurred as a new public company in the first quarter of fiscal 2021. For the quarter ended March 31, 2022, we recorded \$0.4 million of stock-based compensation expense as compared to \$14.3 million in stock-based compensation expense in the same quarter a year ago.

**Net Loss:** For the first quarter of 2022, the Company reported a net loss of \$5.4 million or (\$0.17) per share, compared to a net loss of \$29.7 million or (\$1.83) per share in the same quarter a year ago.

## **About GT Biopharma, Inc.**

GT Biopharma, Inc. is a clinical stage biopharmaceutical company focused on the development and commercialization of immuno-oncology therapeutic products based on our proprietary TriKE<sup>®</sup> NK cell engager platform. Our TriKE<sup>®</sup> platform is designed to harness and enhance the cancer killing abilities of a patient's immune system's natural killer cells. GT Biopharma has an exclusive worldwide license agreement with the University of Minnesota to further develop and commercialize therapies using TriKE<sup>®</sup> technology. For more information, please visit [gtbiopharma.com](http://gtbiopharma.com).

## **Forward-Looking Statements**

Certain statements in this press release may constitute "forward-looking statements" regarding future events and our future results. All statements other than statements of historical facts are statements that could be deemed to be forward-looking statements. These statements are based on current expectations, estimates, forecasts, and projections about the markets in which we operate and the beliefs and assumptions of our management. Words such as "expects," "anticipates," "targets," "goals," "projects", "intends," "plans," "believes," "seeks," "estimates," "endeavors," "strives," "may," or variations of such words, and similar expressions are intended to identify such forward-looking statements. Readers are cautioned that these forward-looking statements are subject to a number of risks,

uncertainties and assumptions that are difficult to predict, estimate or verify. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. Such risks and uncertainties include those factors described in our most recent annual report on Form 10-K, as such may be amended or supplemented by subsequent quarterly reports on Form 10-Q, or other reports filed with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements are made only as of the date hereof, and we undertake no obligation to publicly release the result of any revisions to these forward-looking statements. For more information, please refer to our filings with the Securities and Exchange Commission.

TriKE<sup>®</sup> is a registered trademark owned by GT Biopharma, Inc.

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**GT BIOPHARMA, INC AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(in thousands, except shares and par value)**  
**(Unaudited)**

|                                                                                                                                                                                               | March 31,<br>2022<br>(Unaudited) | December 31,<br>2021 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------|
| <b>ASSETS</b>                                                                                                                                                                                 |                                  |                      |
| Current assets                                                                                                                                                                                |                                  |                      |
| Cash and cash equivalents                                                                                                                                                                     | \$ 7,286                         | \$ 8,968             |
| Short-term investments                                                                                                                                                                        | 19,454                           | 23,011               |
| Prepaid expenses and other current assets                                                                                                                                                     | 453                              | 190                  |
| Total current assets                                                                                                                                                                          | <u>27,193</u>                    | <u>32,169</u>        |
| Operating lease right-of-use asset                                                                                                                                                            | 237                              | -                    |
| Deposits                                                                                                                                                                                      | 9                                | -                    |
| TOTAL ASSETS                                                                                                                                                                                  | <u>\$ 27,439</u>                 | <u>\$ 32,169</u>     |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                                                                                                                                                   |                                  |                      |
| Current liabilities                                                                                                                                                                           |                                  |                      |
| Accounts payable                                                                                                                                                                              | \$ 8,113                         | \$ 8,220             |
| Accrued expenses                                                                                                                                                                              | 1,170                            | 1,901                |
| Current operating lease liability                                                                                                                                                             | 100                              | -                    |
| Derivative liability                                                                                                                                                                          | 120                              | 138                  |
| Total current liabilities                                                                                                                                                                     | <u>9,503</u>                     | <u>10,259</u>        |
| Non-current operating lease liability                                                                                                                                                         | 147                              | -                    |
| Total liabilities                                                                                                                                                                             | <u>9,650</u>                     | <u>10,259</u>        |
| Stockholders' equity                                                                                                                                                                          |                                  |                      |
| Convertible Preferred stock, par value \$0.01, 15,000,000 shares authorized<br>Series C – 96,230 shares issued and outstanding at March 31, 2022 and December 31,<br>2021, respectively       | 1                                | 1                    |
| Common stock, par value \$0.001, 750,000,000 shares authorized, 32,345,717 shares and<br>32,061,989 shares issued and outstanding as of March 31, 2022 and December 31, 2021,<br>respectively | 32                               | 32                   |
| Common stock issuable 0 shares and 327,298 shares at March 31, 2022 and December<br>31, 2021, respectively                                                                                    | -                                | 1,113                |
| Additional paid in capital                                                                                                                                                                    | 676,780                          | 674,348              |
| Accumulated deficit                                                                                                                                                                           | (659,024)                        | (653,584)            |
| Total stockholders' equity                                                                                                                                                                    | <u>17,789</u>                    | <u>21,910</u>        |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY                                                                                                                                                    | <u>\$ 27,439</u>                 | <u>\$ 32,169</u>     |

*The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.*

**GT BIOPHARMA, INC AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except shares and par value)  
**(Unaudited)**

|                                                                                                                                                                                                                     | For the three months ended<br>March 31, |              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|--------------|
|                                                                                                                                                                                                                     | 2022                                    | 2021         |
|                                                                                                                                                                                                                     | (unaudited)                             | (unaudited)  |
| Revenues                                                                                                                                                                                                            | \$ -                                    | \$ -         |
| Operating Expenses:                                                                                                                                                                                                 |                                         |              |
| Research and development                                                                                                                                                                                            | 2,087                                   | 1,640        |
| Selling, general and administrative (including \$447 and \$14,296 expense from stock compensation granted to officers, employees and directors during the three months ended March 31, 2022 and 2021, respectively) | 3,355                                   | 27,362       |
| Loss from Operations                                                                                                                                                                                                | 5,442                                   | 29,002       |
| Other (Income) Expense                                                                                                                                                                                              |                                         |              |
| Interest income                                                                                                                                                                                                     | (8 )                                    | -            |
| Interest expense                                                                                                                                                                                                    | -                                       | 696          |
| Change in fair value of derivative liability                                                                                                                                                                        | (18 )                                   | (21 )        |
| Unrealized loss on marketable securities                                                                                                                                                                            | 24                                      | -            |
| Total Other (Income) Expense                                                                                                                                                                                        | (2 )                                    | 675          |
| Net Loss                                                                                                                                                                                                            | \$ (5,440 )                             | \$ (29,677 ) |
| Net loss per share - basic and diluted                                                                                                                                                                              | \$ (0.17 )                              | \$ (1.83 )   |
| Weighted average common shares outstanding - basic and diluted                                                                                                                                                      | 32,486,116                              | 16,239,938   |

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**GT BIOPHARMA, INC AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(in thousands)**

|                                                                                                                | For the three months ended |              |
|----------------------------------------------------------------------------------------------------------------|----------------------------|--------------|
|                                                                                                                | March 31,                  |              |
|                                                                                                                | 2022                       | 2021         |
|                                                                                                                | (unaudited)                | (unaudited)  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                                    |                            |              |
| Net loss                                                                                                       | \$ (5,440 )                | \$ (29,677 ) |
| Adjustments to reconcile net loss to net cash used in operating activities:                                    |                            |              |
| Stock based compensation for services                                                                          | 872                        | 9,807        |
| Stock based compensation to officers, employees and board of directors                                         | 447                        | 14,296       |
| Convertible notes payable issued for consulting services                                                       | -                          | 720          |
| Change in fair value of derivative liability                                                                   | (18 )                      | (21 )        |
| Change in operating lease right-of-use assets                                                                  | 23                         | -            |
| Unrealized loss on marketable securities                                                                       | 24                         | -            |
| Changes in operating assets and liabilities:                                                                   |                            |              |
| (Increase) decrease in prepaid expenses                                                                        | (263 )                     | 276          |
| Increase in deposits                                                                                           | (9 )                       | -            |
| Increase (decrease) in accounts payable and accrued expenses                                                   | (838 )                     | 219          |
| (Decrease) in operating lease liability                                                                        | (13 )                      | -            |
| Increase in accrued interest                                                                                   | -                          | 696          |
| Net Cash Used in Operating Activities                                                                          | (5,215 )                   | (3,684 )     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                                    |                            |              |
| Sale of investments                                                                                            | 3,533                      | -            |
| Net Cash Provided by Investing Activities                                                                      | 3,533                      | -            |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                                    |                            |              |
| Proceeds from issuance of common stock                                                                         | -                          | 24,679       |
| Proceeds from exercise of warrants                                                                             | -                          | 58           |
| Proceeds from issuance of notes payable                                                                        | -                          | 1,205        |
| Net Cash Provided by Financing Activities                                                                      | -                          | 25,942       |
| Net Increase (Decrease) in Cash                                                                                | (1,682 )                   | 22,258       |
| Cash at Beginning of Period                                                                                    | 8,968                      | 5,297        |
| Cash at End of Period                                                                                          | \$ 7,286                   | \$ 27,555    |
| <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>                                                      |                            |              |
| Cash paid during the year for:                                                                                 |                            |              |
| Interest                                                                                                       | \$ -                       | \$ -         |
| Income taxes                                                                                                   | \$ -                       | \$ -         |
| <b>SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING ACTIVITIES</b>                                 |                            |              |
| Right-of-use assets and lease liabilities recognized pursuant to lease agreement                               | \$ 260                     | \$ -         |
| Extinguishment of unamortized debt discount and adjustment to accumulated deficit upon adoption of ASU 2020-06 | \$ -                       | \$ 4,519     |
| Common stock issued upon conversion of notes payable and accrued interest                                      | \$ -                       | \$ 38,806    |
| Convertible notes payable issued for accrued expenses                                                          | \$ -                       | \$ 1,525     |

*The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.*



Source: GT Biopharma, Inc.