

November 11, 2021

Vyant Bio Reports Third Quarter 2021 Results and Provides Strategic Business Updates

Strategic Highlights

- Hired Robert Fremeau, Jr., PhD as Chief Scientific Officer to lead Vyant Bio's R&D programs targeting the identification of novel therapeutics
- Entered into two new first phase feasibility programs with leading biopharma companies to demonstrate Vyant Bio's human-derived discovery platform technology for identifying novel biological targets and novel compounds
- Completed a second large screening of artificial intelligence ("AI") -generated novel compounds for Rett Syndrome, in conjunction with its collaboration partner Atomwise, yielding promising results, including further hit expansion across two unique biological targets and several novel compounds
- Entered into a collaboration agreement with Cyclica, combining Vyant Bio's patient-derived complex organoid biology alongside Cyclica's proteome-wide, AI-enabled discovery platform to identify new treatments for CDKL5 Deficiency Disorder ("CDD")
- Cash position at September 30, 2021 was \$23.2 million

CHERRY HILL, N.J., Nov. 11, 2021 (GLOBE NEWSWIRE) -- [Vyant Bio, Inc.](#) ("Vyant Bio", "Company") (Nasdaq: VYNT), an emerging global drug discovery company, is rapidly identifying small and large molecule therapeutics to treat central nervous system (CNS) and oncology-related diseases. With leading-edge capabilities in data science, biological and chemical sciences, engineering, and regulatory affairs, Vyant Bio capitalizes on *in silico*, human cell-derived *in vitro* disease models, and *in vivo* discovery technologies to identify novel biological targets and valuable therapeutics for patients. Today, Vyant Bio reports its Third Quarter 2021 strategic and business updates in a conference call scheduled for 4.30pm ET.

"We are pleased with the progress our R&D team is making to further our CNS rare disease and oncology related HER2+ drug discovery programs," stated Jay Roberts, CEO of Vyant Bio. The timing of Dr. Robert Fremeau's arrival as our Chief Scientific Officer coincides well with our acceleration to later-stage drug discovery. Dr. Fremeau's extensive experience with scientific research and drug discovery will be invaluable to us as we complete feasibility programs with leading biopharma companies, and develop our preclinical and translational strategy for driving a portfolio of therapeutic candidates from early discovery to human proof-of-concept".

"Vyant Bio is committed to transforming the way drugs are discovered by quickly adapting to exciting new technologies and combining our internal capabilities in ways that leverage the

strength of our scientific and data science teams along with innovative technologies,” stated Robert Fremeau, CSO of Vyant Bio. “Our internal teams of scientists, data scientists, and engineers, coupled with the capabilities of select strategic partners that are now integrated into our platform, allow us all to work together to design and develop superior therapeutics and position us to build a robust pipeline of novel therapeutics targeting degenerative and developmental neurological disorders and cancers with high unmet needs.”

The Company expects to file its quarterly report for the Third Quarter 2021 on Form 10-Q tomorrow with the Securities and Exchange Commission. Please refer to Vyant Bio’s Form 10-Q for more detailed information with respect to our financial results for the three and nine months ended September 30, 2021.

THIRD QUARTER 2021 FINANCIAL RESULTS¹

As StemoniX, Inc. was deemed to have acquired Cancer Genetics, Inc. for accounting purposes and the Merger closed on March 30, 2021, the Company’s Third Quarter 2021 financial results include the post-merger results of the combined companies, now known as Vyant Bio. The analysis below excludes the Third Quarter 2020 results as they are based solely on StemoniX’s historical stand-alone operations and therefore do not reflect the post-merger enterprise.

Cash and cash equivalents totaled \$23.2 million as of September 30, 2021.

Total revenues were \$1.5 million for the three months ended September 30, 2021. Cost of goods sold – service aggregated to \$1.1 million for the three months ended September 30, 2021 resulting in a cost of goods sold of 80% of service revenues. Cost of goods sold – product aggregated to \$159 thousand for the three months ended September 30, 2021 resulting in a cost of goods sold gross margin deficit of \$196 thousand. Our product manufacturing capabilities currently have excess capacity to support future growth. Research and development expenses were \$1.2 million for the three months ended September 30, 2021. Selling, general and administrative expenses were \$3.3 million for the three months ended September 30, 2021.

While the Company executes its drug development strategy for long-term growth, the Company currently generates revenue from its vivoPharm and StemoniX subsidiaries. On a pro forma basis, assuming the Merger occurred on January 1, 2020, revenues for the three and nine-month ended September 30, 2021 were \$1.5 million and \$5.3 million, respectively, as compared with \$1.9 million and \$5.0 million for the respective prior-year periods. On a pro forma basis, revenues (decreased) increased by (21)% and 5% in the current-year three and nine-month periods as compared with the same prior-year periods.

¹Pro forma information gives effect to the Merger between Cancer Genetics, Inc. and StemoniX, Inc. as if the Merger had occurred as of January 1, 2020. The pro forma information is presented solely for informational purposes and is not necessarily indicative of the combined results of operations or financial position that might have been achieved for the periods or dates indicated, nor is it necessarily indicative of the future results of the Company.

Vyant Bio’s Conference Call and Webcast and Information

Vyant Bio's management will host a conference call on Thursday, November 11, 2021 at 4:30 pm ET to discuss the Third Quarter 2021 results and provide strategic business updates as well as answer questions. Event information is below:

Event: Investor Conference Call and Webcast for the Third Quarter 2021

Date: Thursday, November 11, 2021

Time: 4:30pm ET

Dial In: Toll Free: +1.877.545.0320 Conference ID: 478381

Webcast: <https://www.webcaster4.com/Webcast/Page/2756/43513>

The live event will be recorded and available for replay. The conference call and webcast details are also included inside the Investors section of the Vyant Bio corporate website at www.vyantbio.com.

The event will be recorded and archived. Replay information is below:

Conference Call Replay Information:

Toll Free: +1.877.481.4010 Replay Passcode: 43513

Webcast Replay Information: <https://ir.vyantbio.com/news-events/ir-calendar>

ABOUT VYANT BIO, INC.

Vyant Bio, Inc. ("Vyant Bio", the "Company") (Nasdaq: VYNT) has developed a drug discovery engine centered on revolutionary human-derived biology that incorporates advanced technology driven chemistry, data science, and engineering with global regulatory expertise. Through multiple *in silico*, *in vitro*, and *in vivo* modalities, Vyant Bio rapidly identifies and designs small and large molecule therapeutics that are derisked in human biology much earlier, and have lower costs and failure rates compared to traditional discovery platforms. The Company is focused on efficiently discovering neurology and oncology drugs and, going forward, plans to file two investigational new drug applications annually. Vyant Bio is headquartered in the US, with offices in Europe, and research facilities in Australia. The Company has five state-of-the-art labs and a scientific team with world experts in key areas who have been involved in over 200 investigational new drug applications and over 50 CNS and oncology studies and trials.

For more information, please visit or follow Vyant Bio at:

Internet: www.vyantbio.com

LinkedIn: <https://www.linkedin.com/company/vyant-bio>

Twitter: @VyantBio

Forward Looking Statements:

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements pertaining to Vyant Bio, Inc.'s expectations regarding future financial and/or operating results, and potential for our services, future revenues or growth, or the potential for future strategic transactions in this press release constitute forward-looking statements.

Any statements that are not historical fact (including, but not limited to, statements that contain words such as “will,” “believes,” “plans,” “anticipates,” “expects,” and “estimates”) should also be considered to be forward-looking statements. Forward-looking statements involve risks and uncertainties, including, without limitation, risks inherent in our attempts to adapt to the global coronavirus pandemic, discover drug candidates, partner with pharmaceutical and other biotechnology companies, achieve profitability and increase sales of our services, maintain our existing customer base and avoid cancelation of customer contracts or discontinuance of trials, raise capital to meet our liquidity needs, realize the anticipated benefits of the merger of StemoniX, Inc. and Cancer Genetics, Inc., and other risks discussed in the Vyant Bio, Inc. Form 10-K for the year ended December 31, 2020, and any subsequent filings with the Securities and Exchange Commission. These forward-looking statements speak only as of the date hereof. Vyant Bio disclaims any obligation to update these forward-looking statements.

Investor Contact:

Jennifer K. Zimmons. PhD, MBA
Investor Relations
Zimmons International Communications, Inc.
Email: jzimmons@zimmonsic.com
Phone: +1.917.214.3514

Source: Vyant Bio, Inc.

###

Vyant Bio, Inc.
(Formerly Known as Cancer Genetics, Inc.)
Consolidated Balance Sheets
(unaudited)
(Shares and USD in Thousands)

	September 30, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 23,203	\$ 792
Trade accounts and other receivables	1,192	357
Inventory	480	415
Prepaid expenses and other current assets	1,419	223
Total current assets	26,294	1,787
Non-current assets:		
Fixed assets, net	1,269	1,031
Operating lease right-of-use assets, net	888	1,095
Intangible assets, net	9,025	-
Goodwill	22,085	-
Long-term prepaid expenses and other assets	1,659	136

Total non-current assets	34,926	2,262
Total Assets	\$ 61,220	\$ 4,049

Liabilities, Temporary Equity and Stockholders' Equity (Deficit)

Current liabilities:

Accounts payable	\$ 1,073	\$ 1,300
Accrued expenses	1,329	162
Deferred revenue	1,458	92
Obligations under operating leases, current portion	335	486
Obligation under finance lease, current portion	30	-
Other current liabilities	-	9
Current liabilities of discontinued operations	444	-
Total current liabilities	4,669	2,049
Obligations under operating leases, less current portion	523	627
Obligations under finance leases, less current portion	55	-
Share-settlement obligation derivative	-	1,690
Accrued interest	-	277
Long-term debt	57	6,839
Total Liabilities	5,304	11,482

Commitments and Contingencies (Note 16)

Temporary Equity

Series A Convertible Preferred stock, \$0.0001 par value; 4,700 shares authorized, 0 and 4,612 shares issued and outstanding as of September 30, 2021 and December 31, 2020, respectively (liquidation value of \$0 and \$11,732, respectively, as of September 30, 2021 and December 31, 2020)	-	12,356
Series B Convertible Preferred stock, \$0.0001 par value; 4,700 shares authorized, 0 and 3,489 shares issued and outstanding, as of September 30, 2021 and December 31, 2020, respectively (liquidation value of \$0 and \$15,707, respectively, as of September 30, 2021 and December 31, 2020)	-	16,651
Series C Convertible Preferred stock, \$0.0001 par value; 2,000 shares authorized, 0 shares issued and outstanding as of September 30, 2021 and December 31, 2020 (liquidation value of \$0 as of September 30, 2021 and December 31, 2020)	-	-
Total Temporary Equity	-	29,007

Stockholders' Equity (Deficit)

Preferred stock, authorized 9,764 shares \$ 0.0001 par value, none issued	-	-
Common stock, authorized 100,000 shares, \$0.0001 par value, 28,985 and 2,594 shares issued and outstanding as of September 30, 2021, and December 31, 2020, respectively	3	-

Additional paid-in capital	109,864	1,514
Accumulated comprehensive income	16	-
Accumulated deficit	(53,967)	(37,954)
Total Stockholders' Equity (Deficit)	<u>55,916</u>	<u>(36,440)</u>
Total Liabilities and Stockholders' Equity (Deficit)	<u>\$ 61,220</u>	<u>\$ 4,049</u>

Vyant Bio, Inc.
(Formerly Known as Cancer Genetics, Inc.)
Consolidated Statements of Operations and Comprehensive Loss
(Shares and USD in Thousands)

	Three months ended		Nine months ended	
	September 30,		September, 30	
	2021	2020	2021	2020
Revenues:				
Service	\$ 1,347	\$ 238	\$ 3,294	\$ 414
Product	159	97	381	188
Total revenues	<u>1,506</u>	<u>335</u>	<u>3,675</u>	<u>602</u>
Operating costs and expenses:				
Cost of goods sold – service	1,073	130	2,178	300
Cost of goods sold – product	355	247	1,096	560
Research and development	1,211	867	2,941	2,469
Selling, general and administrative	3,335	819	8,226	2,060
Merger related costs	-	1,042	2,310	1,042
Total operating costs and expenses	<u>5,974</u>	<u>3,105</u>	<u>16,751</u>	<u>6,431</u>
Loss from operations	<u>(4,468)</u>	<u>(2,770)</u>	<u>(13,076)</u>	<u>(5,829)</u>
Other income (expense):				
Change in fair value of warrant liability	-	-	214	-
Change in fair value of share-settlement obligation derivative	-	(9)	(250)	(220)
Loss on debt conversions	-	-	(2,518)	-
Other income (expense), net	4	(1)	(21)	-
Interest income (expense), net	3	(210)	(362)	(247)
Total other income (expense)	<u>7</u>	<u>(220)</u>	<u>(2,937)</u>	<u>(467)</u>
Loss before income taxes	<u>(4,461)</u>	<u>(2,990)</u>	<u>(16,013)</u>	<u>(6,296)</u>
Income tax expense (benefit)	-	-	-	-
Net loss	<u>\$ (4,461)</u>	<u>\$ (2,990)</u>	<u>\$ (16,013)</u>	<u>\$ (6,296)</u>
Cumulative translation adjustment	17	-	16	-
Comprehensive loss	<u>\$ (4,444)</u>	<u>\$ (2,990)</u>	<u>\$ (15,997)</u>	<u>\$ (6,296)</u>

Net loss per common share:

Net loss per share attributable to common stock - Basic and Diluted	\$ (0.15)	\$ (1.20)	\$ (0.78)	\$ (2.54)
--	-----------	-----------	-----------	-----------

Weighted average shares outstanding:

Weighted average common shares outstanding - Basic and Diluted	28,986	2,500	20,466	2,476
---	--------	-------	--------	-------

Vyant Bio, Inc.
(Formerly Known as Cancer Genetics, Inc.)
Consolidated Statements of Cash Flows
(unaudited)
(USD in Thousands)

Nine months ended September 30,	
2021	2020

Cash Flows from Operating Activities:

Net loss	\$(16,013)	\$(6,296)
-----------------	------------	-----------

Reconciliation of net loss to net cash used in operating activities:

Stock-based compensation	1,025	326
Amortization of operating lease right-of-use assets	316	370
Depreciation and amortization expense	912	428
Change in fair value of share-settlement obligation derivative	250	220
Change in fair value of warrant liability	(214)	-
Change in fair value of 2020 Convertible Note with fair value election	4	-
Accretion of debt discount	173	116
Loss on conversion of debt	2,518	-
PPP loan forgiveness	-	(649)
Other	(14)	29

Changes in operating assets and liabilities, net of impacts of business combination:

Trade accounts and other receivables	40	(173)
Inventory	(66)	(18)
Prepaid expenses and other current assets	(726)	101
Accounts payable	(981)	710
PPP loan proceeds	-	730
Obligations under operating leases	(370)	(375)
Accrued expenses and other current liabilities	(844)	135
Net cash used in operating activities	<u>(13,990)</u>	<u>(4,346)</u>

Cash Flows from Investing Activities:

Purchase of equipment	(521)	(6)
Proceeds from patent held for sale	50	17
Cash acquired from acquisition	30,163	-
Net cash provided by investing activities	<u>29,692</u>	<u>11</u>

Cash Flows from Financing Activities:

EIDL loan proceeds	-	67
Issuance of Common Stock	4	85
Issuance of Series B Convertible Preferred Stock, net of issuance costs	-	1,250
Issuance of Series C Convertible Preferred Stock, net of issuance costs	1,786	-
2020 Convertible Note proceeds, net of issuance costs	5,022	4,548
Principal payments on long-term debt	(82)	-
Proceeds from related party notes	-	80
Principal payments on obligations under finance leases	(21)	(55)
Net cash provided by financing activities	<u>6,709</u>	<u>5,975</u>
Net increase in cash and cash equivalents	22,411	1,640
Cash and cash equivalents, beginning of the period	792	315
Total cash and cash equivalents, end of period	<u>\$ 23,203</u>	<u>\$ 1,955</u>

Supplemental disclosure of cash flow information:

Cash paid for interest	\$ 1	\$ 5
Cash paid for income taxes	-	1

Non-cash investing activities:

Fair value of non-cash merger consideration	\$ 59,920	\$ -
Right-of-use assets obtained in exchange for new operating lease liabilities	83	373

Non-cash financing activities:

Conversion of Convertible Preferred Stock to Common Stock upon Merger	\$ 30,793	\$ -
Conversion of 2020 Convertible Notes and accrued interest to Common Stock upon Merger	16,190	-
Exchange of Series B Convertible Preferred Stock for 2020 Convertible Notes	-	2,593
Related party note payable converted to 2020 Convertible Notes	-	55
Related party note payable exchanged for stock option exercise	-	26
Reclass warrant liability to equity upon Merger	421	-

Pro forma information gives effect to the Merger between Cancer Genetics, Inc. and StemoniX, Inc. as if the Merger had occurred as of January 1, 2020. The pro forma information is presented solely for informational purposes and is not necessarily indicative of the combined results of operations or financial position that might have been achieved for the periods or dates indicated, nor is it necessarily indicative of the future results of the Company (\$ in thousands, except per share amounts).

	Three months ended September, 30		Nine months ended September 30,	
	2021	2020	2021	2020
Total revenues	\$ 1,506	\$ 1,903	\$ 5,294	\$ 5,042
Net loss	(4,461)	(2,429)	(10,777)	(8,663)
Pro forma loss per common share, basic and diluted	(0.15)	(0.08)	(0.37)	(0.30)
Pro forma weighted average number of common shares basic and diluted	28,985,924	28,891,329	28,977,601	28,848,369



Source: Vyant Bio, Inc.