

August 11, 2022



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

- Presented preclinical data demonstration second-generation CD19 targeting Tri-specific Killer Engager (TRIKE<sup>®</sup>) driving robust NK cell function against B cell malignancies at EHA 2022 Congress.
- GTB-5550 (B7-H3) abstract poster presentation accepted at upcoming ESMO 2022 Congress.
- \$23.7 million in cash, cash equivalents and short-term investments as of June 30, 2022, is expected to provide runway to fund operations into 2023.

BRISBANE, Calif., Aug. 11, 2022 (GLOBE NEWSWIRE) -- GT Biopharma, Inc. (the "Company" or "GTB") (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<sup>®</sup> platform, today announced second quarter fiscal 2022 results for the period ended June 30, 2022.

"As we move GTB-3650, our second-generation lead Camelid TriKE<sup>®</sup>, forward into the clinic, we are maintaining momentum across the larger breadth of promising oncology indications in GT Biopharma's pipeline. We expect to file an Investigational New Drug (IND) application for GTB-3650 in the first half of 2023, subsequently followed by an IND application for GTB-5550. We are building a strong portfolio of knowledge across GT Biopharma's TriKE<sup>®</sup> product candidates through investigation of preclinical solid tumor and hematological cancers models. As we continue to produce additional validating preclinical data across our pipeline, we believe we will be able to fulfill the critical need for novel and targeted therapeutic interventions for the treatment of patients in our pipeline cancer indications," said Michael Breen, Executive Chairman and Interim CEO of GT Biopharma.

## Quarterly Highlights

- Presented preclinical data demonstration second-generation CD19 targeting Tri-specific Killer Engager (TRIKE<sup>®</sup>) driving robust NK cell function against B cell malignancies at EHA 2022 Congress.
- Abstract poster presentation accepted at upcoming European Society for Medical Oncology (ESMO) Congress 2022: "B7-H3 Targeted Tri-specific Killer Engagers deliver IL-15 to NK cells but not T cells, and specifically targets solid tumors as a pan-tumor antigen strategy mediated through NK cells."
- Mr. Alan Urban a member of the Board of Directors has assumed the role of financial expert of the Audit Committee. Mr. Urban has over 30 years of experience in corporate

finance and accounting. He previously served as Chief Financial Officer for several publicly traded companies.

## **Second Quarter Fiscal 2022 Financial Summary**

**Cash Position:** The Company had total cash, cash equivalents and short-term investments of \$23.7 million as of June 30, 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:** We recorded R&D expenses of \$1.1 million and \$0.6 million for the three months ended June 30, 2022 and 2021, respectively, an increase of \$0.5 million over prior year comparable period. We recorded R&D expenses \$3.2 million and \$2.3 million for the six months ended June 30, 2022 and 2021, respectively, an increase of \$0.9 million over prior year comparable period. R&D expenses increased primarily due to hiring of additional employees and professionals in 2022 and costs associated with the continued development and manufacturing of our most advanced TriKE<sup>®</sup> product candidates GTB-3650 and GTB-5550.

**Selling, General and Administrative (S,G&A) Expenses:** We recorded S,G&A expenses of \$1.9 million and \$3.7 million for the three months ended June 30, 2022 and 2021, respectively, a decrease of \$1.8 million over prior year comparable period. We recorded G&A expenses of \$5.2 million and \$31.1 million for the six months ended June 30, 2022 and 2021, respectively, a decrease of \$25.9 million over the prior year comparable period. The decrease in S,G&A resulted primarily due to a decrease in stock-based compensation to consultants, officers and directors. We recorded additional expenses during the three months and six months ended June 30, 2021 that consisted of legal, finance, consulting and professional fees in support of our planned growth and new public company compliance initiatives.

**Net Loss:** We recorded net loss of \$3.0 million or \$0.10 per share and \$8.4 million or \$0.26 per share for the three months ended June 30, 2022 and 2021, respectively. We recorded net loss of \$4.9 million or \$0.15 per share and \$34.6 million or \$1.39 per share for the six months ended June 30, 2022 and 2021, respectively. The decrease in net loss resulted primarily due to increase in R&D expenses and reduction in S,G&A expenses for the three months and six months ended June 30, 2022 as compared to the same comparable periods in 2021.

## **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.

#### **Investor Relations Contacts:**

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

	June 30, 2022 (Unaudited)	December 31, 2021
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 5,358	\$ 8,968
Short-term investments	18,367	23,011
Prepaid expenses and other current assets	222	190
Total current assets	<u>23,947</u>	<u>32,169</u>
Operating lease right-of-use asset	214	-
Deposits	9	-
TOTAL ASSETS	<u>\$ 24,170</u>	<u>\$ 32,169</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable	\$ 7,263	\$ 8,220
Accrued expenses	1,129	1,901
Current operating lease liability	103	-
Derivative liability	115	138
Total current liabilities	<u>8,610</u>	<u>10,259</u>
Non-current operating lease liability	120	-
Total liabilities	<u>8,730</u>	<u>10,259</u>
Stockholders' equity		
Convertible Preferred stock, par value \$0.01, 15,000,000 shares authorized Series C – 96,230 shares issued and outstanding at June 30, 2022 and December 31, 2021, respectively	1	1
Common stock, par value \$0.001, 750,000,000 shares authorized, 30,693,558 shares and 32,061,989 shares issued and outstanding as of June 30, 2022 and December 31, 2021, respectively	31	32
Common stock issuable 0 shares and 327,298 shares at June 30, 2022 and December 31, 2021, respectively	-	1,113
Additional paid in capital	677,411	674,348
Accumulated deficit	(662,003)	(653,584)
Total stockholders' equity	<u>15,440</u>	<u>21,910</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 24,170</u>	<u>\$ 32,169</u>

**GT BIOPHARMA, INC AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except per share data)

	For the three months ended June 30,		For the six months ended June 30,	
	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues	\$ -	\$ -	\$ -	\$ -
Operating Expenses:				
Research and development	1,139	639	3,226	2,279
Selling, general and administrative (including \$463 and \$577 expense from stock compensation granted to officers and directors during the three months ended June 30, 2022 and 2021, and \$910 and \$14,873 for the six months ended June 30, 2022 and 2021, respectively)	1,875	3,742	5,230	31,104
Loss from Operations	3,014	4,381	8,456	33,383
Other (Income) Expense				
Interest income	(36)	-	(44)	-
Interest expense	-	-	-	696
Change in fair value of derivative liability	(5)	480	(23)	459
Unrealized loss on marketable securities	6	-	30	-
Total Other (Income) Expense	(35)	480	(37)	1,155
Net Loss	\$ (2,979)	\$ (4,861)	\$ (8,419)	\$ (34,538)
Net loss per share - basic and diluted	\$ (0.10)	\$ (0.15)	\$ (0.26)	\$ (1.39)
Weighted average common shares outstanding - basic and diluted	31,237,560	33,516,428	31,865,425	24,925,908

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

	For the six months ended	
	June 30,	
	2022	2021
	(Unaudited)	(Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (8,419)	\$ (34,538)
Adjustments to reconcile net loss to net cash (used in) operating activities:		
Stock based compensation – consultants and research and development	1,262	10,134
Stock based compensation - officers, employees and board of directors	910	14,873
Convertible notes payable issued for consulting services	-	720
Change in fair value of derivative liability	(23)	459
Change in operating lease right-of-use assets	46	-
Unrealized loss on marketable securities	30	-
Changes in operating assets and liabilities:		
(Increase) decrease in prepaid expenses	(32)	302
(Increase) in deposits	(9)	-
(Decrease) in accounts payable and accrued expenses	(1,729)	(611)
(Decrease) in operating lease liability	(37)	-
Increase in accrued interest	-	689
Net Cash (Used in) Operating Activities	<u>(8,001)</u>	<u>(7,972)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sales of short term investments	4,614	-
Net Cash Provided By Investing Activities	<u>4,614</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of common stock	-	24,679
Cancellation of common stock upon settlement with former officer	(223)	-
Proceeds from exercise of warrants	-	16,296
Proceeds from issuance of notes payable	-	1,205
Net Cash (Used in) Provided by Financing Activities	<u>(223)</u>	<u>42,180</u>
Net (Decrease) Increase in Cash	(3,610)	34,208
Cash at Beginning of Period	8,968	5,297
Cash at End of Period	<u>\$ 5,358</u>	<u>\$ 39,505</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Cash paid during the period for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -
<b>SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING ACTIVITIES</b>		
Recognition of operating lease right-of-use assets and related lease liabilities	\$ 260	\$ -
Extinguishment of unamortized debt discount and adjustment to accumulated deficit upon adoption of ASU 2020-06	\$ -	\$ 4,745
Common stock issued upon conversion of notes payable and accrued interest	\$ -	\$ 38,799
Convertible notes payable issued for accrued expenses	\$ -	\$ 1,525



Source: GT Biopharma, Inc.