

October 31, 2022



GT Biopharma Reports Third Quarter Fiscal 2022 Financial Results and Business Update

- Announced two poster presentations at the Society for Immunotherapy of Cancer's 37th Annual Meeting (SITC 2022)
- \$20.8 million in cash, cash equivalents and short-term investments as of September 30, 2022, is expected to provide runway to fund operations into 2023.

BRISBANE, CALIFORNIA, Oct. 31, 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[®] platform, today announced third quarter fiscal 2022 results for the period ended September 30, 2022.

"While the operating environment for early-stage biotech companies remain challenged, we carry forward a strong operating plan that takes us comfortably through to our next series of development milestones in 2023", said Michael Breen, Executive Chairman and Interim CEO of GT Biopharma. "Additionally, we remain firm in our conviction and ability to take GT Biopharma's second-generation proprietary TriKE[®] NK cell engager into the clinic. We also remain very encouraged by the strong body of preclinical evidence we are building across the solid tumor and hematological cancer landscape."

Poster Presentations

- Two poster presentations accepted at the Society for Immunotherapy of Cancer's 37th Annual Meeting (SITC 2022)

Quarterly Highlights

Third Quarter Fiscal 2022 Financial Summary

Cash Position: The Company reported total cash, cash equivalents and short-term investments ("Cash") of \$20.8 million as of September 30, 2022, compared to \$23.7 million as of June 30, 2022 and \$32.0 million as of December 31, 2021. The current Cash is expected to provide ample runway to fund operations into 2023.

Research and Development (R&D) Expenses: We recorded R&D expenses of \$2.8 million and \$1.0 million for the three months ended September 30, 2022 and 2021, respectively, an increase of \$1.8 million over prior year comparable period. We recorded R&D expenses of \$5.9 million and \$3.3 million for the nine months ended September 30, 2022 and 2021, respectively, an increase of \$2.6 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 second generation TriKE[®] product candidates GTB-3650 and GTB-5550.

Selling, General and Administrative (S,G&A) Expenses: We recorded S,G&A expenses of \$4.3 million and \$4.9 million for the three months ended September 30, 2022 and 2021, respectively, a decrease of \$0.6 million over prior year comparable period. We recorded G&A expenses of \$9.5 million and \$36.1 million for the nine months ended September 30, 2022 and 2021, respectively, a decrease of \$26.6 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 nine months ended September 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 a net loss of \$6.9 million or \$0.22 per share and \$5.5 million or \$0.17 per share for the three months ended September 30, 2022 and 2021, respectively. We recorded a net loss of \$15.3 million or \$0.48 per share and \$40.0 million or \$1.54 per share for the nine months ended September 30, 2022 and 2021, respectively. The increase in net loss for the three months ended September 30, 2022 as compared to the same comparable period in 2021, and decrease in net loss for the nine months ended September 30, 2022 as compared to the same comparable period in 2021, resulted primarily due to increase in R&D expenses and reduction in S,G&A expenses as discussed above.

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[®] NK cell engager platform. Our TriKE[®] 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[®] technology. For more information, please visit 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 only made 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[®] 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)**

	September 30	December 31,
	2022	2021
	(Unaudited)	
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 2,465	\$ 8,968
Short-term investments	18,319	23,011
Prepaid expenses and other current assets	88	190
Total Current Assets	<u>20,872</u>	<u>32,169</u>
Operating lease right-of-use asset	190	-
Deposits	9	-
TOTAL ASSETS	<u>\$ 21,071</u>	<u>\$ 32,169</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 3,325	\$ 8,220
Accrued expenses	1,537	1,901
Current operating lease liability	106	-
Derivative liability	57	138
Total Current Liabilities	<u>5,025</u>	<u>10,259</u>
Non-current operating lease liability	92	-
Total Liabilities	<u>5,117</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 September 30, 2022 and December 31, 2021, respectively	1	1
Common stock, par value \$0.001, 250,000,000 shares authorized, 32,507,618 shares and 32,061,989 shares issued and outstanding as of September 30, 2022 and December 31, 2021, respectively	33	32
Common stock issuable zero shares and 327,298 shares at September 30, 2022 and December 31, 2021, respectively	-	1,113
Additional paid in capital	684,804	674,348
Accumulated deficit	(668,884)	(653,584)
Total Stockholders' Equity	<u>15,954</u>	<u>21,910</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 21,071</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		For the nine months ended	
	September 30,		September 30,	
	2022	2021	2022	2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenues	\$ -	\$ -	\$ -	\$ -
Operating Expenses				
Research and development (includes \$201 and \$0 of expense from stock compensation to officers, employees and directors vesting during the three months ended September 30, 2022 and 2021, and \$327 and \$0 for the nine months ended September 30, 2022 and 2021, respectively)	2,743	1,008	5,969	3,287
Selling, general and administrative (includes \$2,743 and \$577 of expense from stock compensation granted to officers, employees and directors during the three months ended September 30, 2022 and 2021, and \$3,527 and \$15,450 for the nine months ended September 30, 2022 and 2021, respectively)	4,280	4,946	9,510	36,050
Loss from Operations	7,023	5,954	15,479	39,337
Other (Income) Expense				
Interest income	(107)	(32)	(151)	(32)
Interest expense	-	-	-	696
Change in fair value of derivative liability	(58)	(502)	(81)	(43)
Unrealized loss on marketable securities	23	33	53	33
Total Other (Income) Expense	(142)	(501)	(179)	654
Net Loss	\$ (6,881)	\$ (5,453)	\$ (15,300)	\$ (39,991)
Net loss per share – basic and diluted	\$ (0.22)	\$ (0.17)	\$ (0.48)	\$ (1.54)
Weighted average common shares outstanding – basic and diluted	31,380,634	31,381,282	31,723,792	25,945,827

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

	For the nine months ended September 31,	
	2022	2021
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (15,300)	\$ (39,991)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock based compensation – consultants	2,462	10,458
Stock based compensation - officers, employees and board of directors	3,854	15,450
Convertible notes payable issued for consulting services	-	720
Change in fair value of derivative liability	(81)	(43)
Change in operating lease right-of-use assets	70	-
Unrealized loss on marketable securities	53	-
Changes in operating assets and liabilities:		
Decrease in prepaid expenses	102	279
(Increase) in deposits	(9)	-
(Decrease) Increase in accounts payable and accrued expenses	(2,008)	537
(Decrease) in operating lease liability	(62)	-
Increase in accrued interest	-	689
Net Cash (Used in) Operating Activities	<u>(10,919)</u>	<u>(11,901)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales (purchases) of investments	4,639	(26,031)
Net Cash Provided by (Used in) Investing Activities	<u>4,639</u>	<u>(26,031)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock	-	24,679
Cancellation of common stock upon settlement with former officer	(223)	-
Proceeds from exercise of warrants	-	16,433
Proceeds from issuance of notes payable	-	1,205
Net Cash (Used in) Provided by Financing Activities	<u>(223)</u>	<u>42,317</u>
Net (Decrease) Increase in Cash	(6,503)	4,385
Cash at Beginning of Period	8,968	5,297
Cash at End of Period	\$ 2,465	\$ 9,682
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest	\$ -	\$ -
Income taxes paid	\$ -	\$ -
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Right-of-use assets exchanged for 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
Common stock issued upon settlement of vendor payable	\$ 3,251	\$ -
Convertible notes payable issued for accrued expenses	\$ -	\$ 1,525



Source: GT Biopharma, Inc.

