

March 30, 2023



## GT Biopharma Reports Fourth Quarter and Full-Year 2022 Financial Results and Provides Corporate Update

- *Proforma cash of approximately \$23.0 million includes \$16.5 million in cash as of December 31, 2022, plus \$6.5 million in gross proceeds received from a registered direct offering priced at a premium to market on January 4, 2023.*
- *Cash on hand, coupled with significant recent cost reduction efforts, is expected to provide ample runway to fund operations into Q2 2024; anticipated to be sufficient to achieve IND clearance for GTB-3650 and GTB-5550, and initiate clinical trial activities on GTB-3650.*

BRISBANE, CALIFORNIA, March 30, 2023 (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<sup>®</sup> platform, today announced fourth quarter and full-year 2022 results for the period ended December 31, 2022.

"We continue to move GT Biopharma's pipeline development program forward through the advancement of GTB-3650, a second generation nanobody TriKE<sup>®</sup> for the treatment of CD33+ leukemia which will be followed by GTB-5550 for the treatment of B7H3+ solid tumors. Looking ahead we are on track to submit an investigational new drug (IND) filing with the U.S. Food and Drug Administration for our lead-asset GTB-3650 in the first half of 2023," said Michael Breen, Executive Chairman and interim Chief Executive Officer. "Moreover, as we move our programs closer to the clinic, we have significantly reduced expenses that will enable us to extend our cash runway into Q2 2024. We also continue to investigate and develop the Company's TriKE<sup>®</sup> nanobody platform for multiple additional targets and indications, while actively exploring potential development partnerships for our programs."

### Fourth Quarter Highlights

- Successfully completed a registered direct offering for gross proceeds of \$6.5 million priced at premium to market
- Dr. Jeff Miller named Consulting Chief Medical Officer
- Presented novel dual antigen targeting approach for the treatment of acute myeloid

leukemia (AML) at the American Society of Hematology's 64th Annual Meeting (ASH 2022)

- Presented two poster presentations at the Society for Immunotherapy of Cancer's 37th Annual Meeting

## **Fourth Quarter and Year End 2022 Financial Summary**

**Cash Position:** The Company had cash, cash equivalents and short-term investments of \$16.5 million as of December 31, 2022, compared to \$32.0 million as of December 30, 2021. The Company raised \$6.5 million in gross proceeds from a registered direct offering in December 2022, and received the cash proceeds on January 4, 2023. This is expected to provide ample runway to fund operations into Q2 2024.

**Research and Development (R&D) Expenses:** R&D expenses for the fourth quarter of 2022 were \$2.8 million compared to \$6.7 million for the same quarter a year ago. R&D expenses for the year ended December 31, 2022 were \$8.8 million compared to \$9.6 million for the year ended December 31, 2021. Research and development expenses are related to our continued development and production of our most advanced TriKE® product candidates GTB-3650 and GTB-5550 along with the progression of other promising product candidates. R&D expenses for the year ended December 31, 2022 decreased over the previous year primarily due to reduction in stock compensation to employees and consultants.

**General and Administrative (G&A) Expenses:** G&A expenses for the fourth quarter of 2022 were \$2.9 million compared to \$11.9 million for the same quarter a year ago. G&A expenses for the year ended December 31, 2022, were \$12.4 million compared to \$47.9 million for the year ended December 31, 2021. The decrease in G&A expenses was primarily attributable to reduction in payroll and stock compensation expense, reduction in marketing, promotion and investor relations expense, reduction in travel expense, and reduction in legal, professional and advisory board expense for the year ended December 31, 2022 as compared to 2021.

**Net Loss:** The Company reported a net loss of \$5.6 million for the fourth quarter of 2022, compared to a net loss of \$18.0 million for the same quarter a year ago. The Company reported a net loss of \$20.9 million for the year ended December 31, 2022, compared to a net loss of \$58.0 million for the year ended December 31, 2021.

## **About Camelid Antibodies**

[Camelid antibodies](#) are single domain antibodies (sdAbs) from the Camelidae family of mammals that include llamas, camels, and alpacas. These animals produce two main types of antibodies. One type of antibody camelids produce is the conventional antibody that is made up of two heavy chains and two light chains. They also produce another type of antibody that is made up of only two heavy chains and no light chain. This is known as heavy chain IgG (hclgG). While these antibodies do not contain the CH1 region, they retain an antigen binding domain called the VHH region. VHH antibodies, also known as single domain antibodies, contain only the VHH region from the camelid antibody. Camelid antibodies have key characteristics, which include high affinity and specificity (equivalent to conventional antibodies), high thermostability, good solubility and strictly monomeric behavior, small size, relatively low production cost, ease of genetic engineering, format

flexibility or modularity, low immunogenicity, and a higher penetration rate into tissues.

### **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 Contact:**

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**GT BIOPHARMA, INC. AND SUBSIDIARIES**  
**Consolidated Balance Sheets**  
**(In Thousands, Except Par Value and Share Data)**

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 5,672	\$ 8,968
Short-term investments	10,836	23,011
Prepaid expenses and other current assets	54	190
<b>Total Current Assets</b>	<u>16,562</u>	<u>32,169</u>
Operating lease right-of-use asset	165	-
Deposits	9	-
<b>TOTAL ASSETS</b>	<u>\$ 16,736</u>	<u>\$ 32,169</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable	\$ 3,140	\$ 8,189
Accrued expenses	1,669	1,901
Operating lease liability, current	110	-
Line of credit	-	31
Derivative liability	19	138
<b>Total Current Liabilities</b>	<u>4,938</u>	<u>10,259</u>
Non-current operating lease liability	64	-
<b>Total Liabilities</b>	<u>5,002</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 December 31, 2022 and 2021, respectively	1	1
Common stock, par value \$0.001, 250,000,000 shares authorized, 32,722,452 shares and 32,061,989 shares issued and outstanding as of December 31, 2022 and 2021, respectively	33	32
Common stock issuable, 0 shares and 327,298 shares at December 31, 2022 and 2021, respectively	-	1,113
Additional paid in capital	686,168	674,348
Accumulated deficit	(674,468)	(653,584)
<b>Total Stockholders' Equity</b>	<u>11,734</u>	<u>21,910</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u>\$ 16,736</u>	<u>\$ 32,169</u>

**GT BIOPHARMA, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Operations**  
(In Thousands, Except Share Data)

	<b>For the Year Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Revenues</b>	<u>\$ -</u>	<u>\$ -</u>
<b>Operating Expenses:</b>		
Research and development (including \$718 and \$0 of stock compensation to officers, directors and employees during the years ended December 31, 2022 and 2021, respectively)	8,811	9,591
Selling, general and administrative (including \$3,903 and \$17,234 of stock compensation to officers, directors and employees during the years ended December 31, 2022 and 2021, respectively)	12,446	47,924
<b>Total Operating Expenses</b>	<u>21,257</u>	<u>57,515</u>
<b>Loss from Operations</b>	<u>(21,257)</u>	<u>(57,515)</u>
<b>Other (Income) Expense</b>		
Interest income	(292)	(38)
Interest expense	8	718
Change in fair value of derivative liability	(119)	(211)
Unrealized loss on marketable securities	30	29
<b>Total Other (Income) Expense</b>	<u>(373)</u>	<u>498</u>
<b>Net Loss</b>	\$ (20,884)	\$ (58,013)
<b>Net Loss Per Share - Basic and Diluted</b>	\$ (0.66)	\$ (2.06)
<b>Weighted average common shares outstanding - basic and diluted</b>	31,868,024	28,155,624

**GT BIOPHARMA, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Stockholders' Equity**  
(In Thousands)

	<u>Preferred Shares</u>		<u>Common Shares</u>		<u>Common Shares Issuable</u>		<u>Additional Paid-in-</u>	<u>Accumulated</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Capital</u>	<u>Deficit</u>	
Balance, December 31, 2020	2,450	\$ 3	5,218	\$ 5	-	\$ -	\$ 566,356	\$ (595,797)	\$ (29,433)
Extinguishment of debt discount upon adoption of ASU 2020-06	-	-	-	-	-	-	(4,745)	226	(4,519)
Conversion of Preferred Series J-1 to common stock	(2,354)	(2)	692	1	-	-	1	-	-
Common shares issued upon mandatory conversion of notes payable and accrued interest	-	-	11,086	11	327	1,113	37,675	-	38,799
Common shares issued upon exercise of warrants	-	-	3,074	3	-	-	16,430	-	16,433
Issuance of common stock in public offering, net of cost	-	-	4,945	5	-	-	24,674	-	24,679
Issuance of common stock for research and development agreement	-	-	190	-	-	-	1,355	-	1,355

Issuance of common stock as equity compensation to consultants	-	-	3,082	3	-	-	15,337	-	15,340
Issuance of common stock as equity compensation to officers and board of directors	-	-	3,775	4	-	-	16,979	-	16,983
Fair value of vested stock options	-	-	-	-	-	-	251	-	251
Extinguishment of derivative liability	-	-	-	-	-	-	35	-	35
Net loss	-	-	-	-	-	-	-	(58,013)	(58,013)
Balance, December 31, 2021	96	1	32,062	32	327	1,113	674,348	(653,584)	21,910
Cancellation of common stock previously issued for services	-	-	(291)	-	-	-	-	-	-
Cancellation of common stock previously issued to prior CEO	-	-	(1,845)	(2)	-	-	(222)	-	(224)
Common stock issued upon conversion of notes payable	-	-	338	-	(327)	(1,113)	1,148	-	35
Issuance of common stock as equity compensation to officers, employees, and board of directors	-	-	710	1	-	-	2,521	-	2,522
Issuance of common stock as equity compensation to consultants	-	-	527	1	-	-	2,091	-	2,092
Fair value of vested stock options	-	-	-	-	-	-	3,032	-	3,032
Issuance of common stock in settlement of vendor payable	-	-	1,222	1	-	-	3,250	-	3,251
Net loss	-	-	-	-	-	-	-	(20,884)	(20,884)
<b>Balance, December 31, 2022</b>	<b>96</b>	<b>\$ 1</b>	<b>32,723</b>	<b>\$ 33</b>	<b>-</b>	<b>\$ -</b>	<b>\$ 686,168</b>	<b>\$ (674,468)</b>	<b>\$ 11,734</b>

**GT BIOPHARMA, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
(In Thousands)

	<b>For the Year Ended</b>	
	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (20,884)	\$ (58,013)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock based compensation – consultants and research and development	2,522	16,695
Stock based compensation - officers, employees and board of directors	2,092	16,983
Stock based compensation - vested stock options	3,032	251
Fair value of common stock issued to a noteholder as settlement	35	-
Convertible notes payable issued for consulting services	-	720
Change in fair value of derivative liability	(119)	(211)
Change in operating lease right-of-use assets	95	-
Gain from extinguishment of line of credit	(31)	-
Unrealized loss on marketable securities	30	29
Changes in operating assets and liabilities:		
Decrease in prepaid expenses and other current assets	136	174
(Increase) in deposits	(9)	-
(Decrease) increase in accounts payable and accrued expenses	(2,030)	7,077
Decrease in operating lease liability	(86)	-
Increase in accrued interest	-	689
<b>Net Cash Used in Operating Activities</b>	<b><u>(15,217)</u></b>	<b><u>(15,606)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sales (purchases) of investments	12,145	(23,040)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b><u>12,145</u></b>	<b><u>(23,040)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of common stock	-	24,679
Cancellation of common stock upon settlement with former officer	(224)	-
Proceeds from exercise of warrants	-	16,433
Proceeds from issuance of notes payable	-	1,205
<b>Net Cash (Used in) Provided by Financing Activities</b>	<b><u>(224)</u></b>	<b><u>42,317</u></b>
<b>Net (Decrease) Increase in Cash</b>	<b>(3,296)</b>	<b>3,671</b>
<b>Cash at Beginning of Period</b>	<b>8,968</b>	<b>5,297</b>
<b>Cash at End of Period</b>	<b>\$ 5,672</b>	<b>\$ 8,968</b>
<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 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	\$ -
Accounts payable reclassified to convertible notes	\$ -	\$ 525
Extinguishment of derivative liabilities	\$ -	\$ 35
Conversion of Series J Preferred Stock to Common Stock	\$ -	\$ 2

Source: GT Biopharma, Inc.