



vTv Therapeutics Announces 2022 Second Quarter Financial Results and Provides Corporate Update

08/15/22

- *Paul Sekhri appointed as President, Chief Executive Officer and Board member.*
- *Entered into agreements with CinRx Pharma and a subsidiary to purchase \$10 million in stock and to leverage CinRx's industry experience to collaborate in overseeing TTP399 clinical trials.*
- *Entered into agreements with G42 Investments to purchase \$25 million in stock, collaborate on clinical trials and exclusively license rights to develop and commercialize TTP399 in certain geographic markets by a G42 affiliate.*

HIGH POINT, N.C., Aug. 15, 2022 (GLOBE NEWSWIRE) -- vTv Therapeutics Inc. (Nasdaq: VTVT), a clinical stage biopharmaceutical company focused on the development of orally administered treatments for type 1 diabetes (T1D) today reported financial results for the second quarter ended June 30, 2022, and provided an update on recent corporate developments.

"I have been with vTv for only about two weeks but the strategic steps that have been taken toward initiating the TTP399 pivotal study and the energy displayed by the team to execute on that program have been truly impressive," said Paul Sekhri, newly appointed Chief Executive Officer of vTv. "I am looking forward to working with our management team and with our new partners, G42 Healthcare and CinRx Pharma, to accomplish our objective of improving the care and quality of life for T1D patients."

Recent Achievements

- **Leadership.** On July 27, 2022, the Company appointed Paul Sekhri as President, Chief Executive Officer (CEO) effective August 1, 2022, and was confirmed as a member of the board of directors on August 9, 2022. Mr. Sekhri brings nearly 30 years of healthcare industry experience, including serving as President and CEO of several healthcare companies, experience in several senior business development and strategy roles and he has been a director on more than 30 private, public company and non-profit boards.
- **Partnership.** On July 25, 2022, the Company entered into agreements with CinRx Pharma and its subsidiary, CinPax. CinPax agreed to acquire \$10.0 million in vTv Class A common stock at approximately \$2.41 per share with \$6.0 million paid at closing and the remaining \$4.0 million payable on November 22, 2022. vTv will issue a warrant to CinRx to acquire 1.2 million additional shares of Class A common stock at an exercise price of approximately \$0.72 per share that will become exercisable upon agreed vesting triggers. In addition, the agreements set forth terms under which vTv will leverage the CinRx team's industry experience to collaborate on the oversight of the clinical trials for pharmaceutical products that contain TTP399.
- **Publication.** In June, results of a Phase 1 trial that assessed the effects of TTP399 on ketoacidosis risk in individuals with T1D on insulin pump therapy during acute insulin withdrawal was published in *Diabetes Obesity and Metabolism* (<https://doi.org/10.1111/dom.14697>) and presented at The American Diabetes Association's 82nd Scientific Sessions on June 5, 2022. The results suggested that TTP399 does not increase, and may decrease, the risk of diabetic ketoacidosis (DKA) in subjects with T1D.
- **Partnership.** On May 31, 2022, the Company entered into agreements with G42 Healthcare ("G42") and an affiliate. G42 agreed to acquire \$25.0 million in vTv Class A common stock at approximately \$2.41 per share with \$12.5 million paid at closing and the remaining \$12.5 million payable on May 31, 2023. The agreements also provide for the potential issuance of \$30.0 million in additional shares of Class A common stock to G42 (or cash in lieu of such issuance at the option of G42) if the U.S. Food and Drug Administration (FDA) approves the marketing and sale of a pharmaceutical product containing TTP399. vTv and an affiliate of G42 plan to collaborate on clinical trials for pharmaceutical products that contain TTP399, including G42's affiliate funding a portion of the Phase 3 clinical trials for TTP399, and vTv granting G42's affiliate an exclusive license to develop and commercialize pharmaceutical products containing TTP399 in certain territories in the

Middle East, Africa, and Central Asia.

Upcoming Milestones and Events

- **Pivotal Study Planning.** The Company is planning two pivotal, placebo-controlled clinical trials of *TTP399* in subjects with T1D and has engaged with the FDA on the optimal clinical trial designs for these studies. The studies will recruit a total of approximately 1,000 patients and at least one of the studies will be one year of treatment. The FDA and the Company have agreed on the primary endpoint for the studies as the difference between placebo and *TTP399*-treated group in number of hypoglycemia events. These pivotal studies are expected to start in the fourth quarter of 2022.

Second Quarter 2022 Financial Results

- **Cash Position:** The Company's cash position as of June 30, 2022, was \$17.9 million compared to \$13.4 million as of December 31, 2021.
- **Research & Development (R&D) Expenses:** R&D expenses were \$2.2 million and \$2.4 million in each of the three months ended June 30, 2022, and 2021, respectively. The decrease of \$0.2 million is attributable to a decrease in clinical trial costs for *azeliragon*, which was mainly driven by discontinuance of its development as a potential treatment of Alzheimer's disease in patients with type 2 diabetes and a decrease in spending related to a multiple ascending dose study for *HPP737*, due to its completion in 2021, offset by higher spending on *TTP399* due to trial preparation costs.
- **General & Administrative (G&A) Expenses:** G&A expenses were \$1.8 million and \$2.2 million for each of the three months ended June 30, 2022, and 2021, respectively. The decrease was due to lower payroll costs and lower share-based expense partially offset by higher legal expense and higher other G&A costs.
- **Other (Expense)/Income:** Other expense for the three months ended June 30, 2022, was \$0.1 million and was driven by an unrealized loss related to the investment in Reneo as well as the gains related to the change in the fair value of the outstanding warrants to purchase shares of our own stock issued to a related party ("Related Party Warrants"). Other income for the three months ended June 30, 2021, was \$3.8 million and was related to the unrealized gain recognized related to the investment in Reneo as well as gains related to the change in the fair value of the outstanding warrants in our own stock held by a related party.
- **Net Loss:** Net loss attributable to vTv shareholders for the three months ended June 30, 2022, was \$3.2 million or \$0.04 per basic share. Net loss attributable to vTv shareholders for the comparable period a year ago was \$0.6 million or \$0.01 per basic share.

vTv Therapeutics Inc.
Condensed Consolidated Balance Sheets
(in thousands)

	June 30, 2022	December 31, 2021
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 17,863	\$ 13,415
Accounts receivable	77	57
Promissory note receivable	11,941	—
Prepaid expenses and other current assets	643	2,049
Current deposits	85	100
Total current assets	30,609	15,621
Property and equipment, net	254	278
Operating lease right-of-use assets	354	402
Long-term investments	5,772	9,173
Total assets	\$ 36,989	\$ 25,474
Liabilities, Redeemable Noncontrolling Interest and Stockholders' Deficit		
Current liabilities:		
Accounts payable and accrued expenses	\$ 9,600	\$ 8,023

Current portion of operating lease liabilities	199	184
Current portion of contract liabilities	26	35
Current portion of notes payable	—	256
Total current liabilities	9,825	8,498
Contract liabilities, net of current portion	18,669	—
Operating lease liabilities, net of current portion	388	492
Warrant liability, related party	717	1,262
Total liabilities	29,599	10,252
Commitments and contingencies		
Redeemable noncontrolling interest	15,916	24,962
Stockholders' deficit:		
Class A Common Stock	773	669
Class B Common Stock	232	232
Additional paid-in capital	243,772	238,193
Accumulated deficit	(253,303)	(248,834)
Total stockholders' deficit attributable to vTv Therapeutics Inc.	(8,526)	(9,740)
Total liabilities, redeemable noncontrolling interest and stockholders' deficit	\$ 36,989	\$ 25,474

vTv Therapeutics Inc.
Condensed Consolidated Statements of Operations
(in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Unaudited)			
Revenue	\$ 9	\$ 9	\$ 2,009	\$ 996
Operating expenses:				
Research and development	2,205	2,437	5,338	5,540
General and administrative	1,831	2,242	7,179	4,406
Total operating expenses	4,036	4,679	12,517	9,946
Operating loss	(4,027)	(4,670)	(10,508)	(8,950)
Interest income	50	—	50	1
Interest expense	—	—	(1)	—
Other (expense) income, net	(114)	3,829	(2,856)	2,181
Loss before income taxes	(4,091)	(841)	(13,315)	(6,768)
Income tax provision	—	—	200	15
Net loss before noncontrolling interest	(4,091)	(841)	(13,515)	(6,783)
Less: Net loss attributable to noncontrolling interest	(940)	(233)	(3,357)	(1,934)
Net loss attributable to vTv Therapeutics Inc.	\$ (3,151)	\$ (608)	\$ (10,158)	\$ (4,849)
Net loss attributable to vTv Therapeutics Inc. common shareholders	\$ (3,151)	\$ (608)	\$ (10,158)	\$ (4,849)
Net loss per share of vTv Therapeutics Inc. Class A common stock, basic and diluted	\$ (0.04)	\$ (0.01)	\$ (0.15)	\$ (0.08)
Weighted average number of vTv Therapeutics Inc. Class A common stock, basic and diluted	70,366,823	58,615,137	68,664,259	57,549,755

About vTv Therapeutics

vTv Therapeutics Inc. is a clinical stage biopharmaceutical company focused on developing oral, small molecule drug candidates. vTv has a pipeline of clinical drug candidates led by programs for the treatment of type 1 diabetes. vTv's development partners are pursuing additional indications in type 2 diabetes, chronic obstructive pulmonary disease, renal disease, primary mitochondrial myopathy, and pancreatic cancer.

Forward-Looking Statements

This release contains forward-looking statements, which involve risks and uncertainties. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will," "would" and, in each case, their negative or other various or comparable terminology. All statements other than statements of historical facts contained in this release, including statements regarding the timing of our clinical trials, our strategy, future operations, future financial position, future revenue, projected costs, prospects, plans, objectives of management and expected market growth are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Important factors that could cause our results to vary from expectations include those described under the heading "Risk Factors"

in our Annual Report on Form 10-K and our other filings with the SEC. These forward-looking statements reflect our views with respect to future events as of the date of this release and are based on assumptions and subject to risks and uncertainties. In addition, we may not be able to successfully complete a successful financing, partnering or licensing transactions with respect to *TTP399*. Given these uncertainties, you should not place undue reliance on these forward-looking statements. These forward-looking statements represent our estimates and assumptions only as of the date of this release and, except as required by law, we undertake no obligation to update or review publicly any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this release. We anticipate that subsequent events and developments will cause our views to change. Our forward-looking statements do not reflect the potential impact of any future acquisitions, merger, dispositions, joint ventures, or investments we may undertake. We qualify all of our forward-looking statements by these cautionary statements.

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