# Genelux Corporation Reports Second Quarter 2023 Financial Results and Provides General Business Updates

August 14, 2023

- Inclusion into the broad-market Russell 3000® Index and small-cap Russell 2000® Index -

- Publication of VIRO-15 Phase 2 data in JAMA Oncology -

- $51 Million raised after closing of two private placements in Q2, totaling $65 million raised in the first half of 2023 -

- Current cash and cash commitments expected to fund operations into Q1 2026 -

WESTLAKE VILLAGE, Calif., Aug. 14, 2023 (GLOBE NEWSWIRE) -- Genelux Corporation (NASDAQ: GNLX), a late clinical-stage immuno-oncology company, today announced financial results for the second quarter of 2023 and provided general business updates.

“We’ve made significant progress in the second quarter across our business, but most importantly in securing additional capital to fund operations through our projected key clinical milestones, including the initial readout of our OnPrime/GOG-3076 Phase 3 registrational trial,” said Thomas Zindrick, President, Chairman and CEO of Genelux. “Looking ahead, we remain focused on Olvi-Vec, which is on track for clinical trials across multiple indications and building the commercial infrastructure in preparation for the potential success of our Phase 3 trial and beyond.”

**Pipeline Highlights**

The Journal of the American Medical Association (JAMA) Oncology published positive topline data from Phase 2 VIRO-15 trial evaluating Olvi-Vec in Platinum-Resistant or Refractory Ovarian Cancer. The Article was featured on JAMA Oncology’s podcast with lead investigator, Robert W. Holloway, MD.

Genelux is advancing Olvi-Vec for the treatment of various cancer indications led by its ongoing OnPrime/GOG-3076 trial, evaluating the efficacy and safety of Olvi-Vec in patients with platinum-resistant/refractory ovarian cancer.

Genelux and its licensing partner, Newsoara BioPharma Co., Ltd., also commenced a Phase 1b/2 study of Olvi-Vec in NSCLC, with the first patient having been dosed. Newsoara is conducting the trial in Greater China and Genelux will have worldwide developmental and commercial rights (excluding Greater China) to all data generated from clinical trials of Olvi-Vec in China.

Genelux and TVAX Biomedical, Inc. announced the issuance of a United States patent covering the combination of an adoptive T cell therapy/oncolytic viral cancer treatment that is exclusively licensed to V2ACT Therapeutics™, LLC, a joint venture between Genelux and TVAX. The patent expiry, prior to any patent term extension, will be in 2036 and will add substantial intellectual property protection for V2ACT Immunotherapy.

**Business Updates**

Genelux was added to the broad-market Russell 3000® Index and small-cap Russell 2000® Index on June 26, 2023 at the conclusion of the 2023 Russell indexes annual reconstitution.

Genelux announced key leadership appointments to further position the company for a potential future filing of a biologics license application. These appointments included two key management promotions, as well as the addition of two new members to its leadership team. Joseph Cappello, Ph.D., who previously served as the Company’s Vice President of Pharmaceutical Development, was promoted to Chief Technical Officer. Tony Yu, Ph.D., formerly the Company’s Vice President of Clinical Trial Operations, was promoted to Senior Vice President of Clinical Development. Ralph Smalling, MS joined the Company as Head of Regulatory Affairs and Caroline Jewett joined the Company as Head of Quality.

**Second Quarter 2023 Financial Results**

Cash, Cash Equivalents and Investments: At June 30, 2023, the Company had cash on hand in the amount of $27.1 million. During the six months ended June 30, 2023, the Company closed its initial public offering (IPO) and two private placements and received $36.1 million of gross proceeds from the offerings. The Company also received commitments through the private placements in which the Company will receive an additional $27.5 million subsequent to June 2023, on or before November 15, 2023, at the same price as the initial closing investments in the private placements. Due to the funds received through these offerings, and the conversion of preferred stock and convertible notes payable upon the closing of the IPO, the Company had a shareholders’ equity of $22.3 million at June 30, 2023. The Company expects its cash on hand at June 30, 2023, together with the $27.5 million of future commitments from the private placements, will last until the first quarter of 2026.

R&D Expenses: Research and development expenses were $2.9 million for the second quarter of 2023, as compared to $1.8 million for the second quarter of 2022. The increase was primarily due to additional clinical trial expenses of the Phase 3 trial.

G&A Expenses: General and administrative expenses were $2.5 million for the second quarter of 2023, as compared to $1.0 million for the second quarter of 2022. The increase was primarily due to additional employee-related costs, including new employee hires, stock compensation expenses

and an increase in professional service expenses related to being a newly publicly traded company.

Net Loss: Net loss was $5.8 million for the second quarter of 2023, as compared to a net loss of $2.8 million for the second quarter of 2022.

**About Genelux Corporation**

Genelux is a late clinical-stage biopharmaceutical company focused on developing a pipeline of next-generation oncolytic immunotherapies for patients suffering from aggressive and/or difficult-to-treat solid tumor types. The Company's most advanced product candidate, Olvi-Vec (olvimulogene nanivacirepvec), is a proprietary, modified strain of the vaccinia virus. Olvi-Vec currently is being evaluated in OnPrime/GOG-3076, a multi-center, randomized, open-label Phase 3 registrational trial evaluating the efficacy and safety of Olvi-Vec in combination with platinum-doublet + bevacizumab compared to platinum-doublet + bevacizumab in patients with platinum-resistant/refractory ovarian cancer. The core of Genelux' discovery and development efforts revolves around the company's proprietary CHOICE™ platform from which the Company has developed an extensive library of isolated and engineered oncolytic vaccinia virus immunotherapeutic product candidates, including Olvi-Vec. For more information, please visit www.genelux.com and follow us on Twitter @Genelux_Corp and on LinkedIn.

**Forward-Looking Statements**

This release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. “Forward-looking statements” describe future expectations, plans, results, or strategies and are generally preceded by words such as “believes,” “anticipates,” “expect,” “may,” “plan” or “will”. Forward-looking statements in this release include, but are not limited to, statements related to Genelux’s future, the execution of its corporate strategy, the extension of Genelux’s cash runway and how long our current cash and cash commitments will fund our operations, whether the additional capital secured will be sufficient to support our key clinical milestones, clinical trials for Olvi-Vec and their potential success, the extent of intellectual property protection provided by the new patent licensed to V2ACT Therapeutics, LLC, the potential future filing of a biologics license application, and the commitment of additional funds. Such statements are subject to a multitude of risks and uncertainties that could cause future circumstances, events, or results to differ materially from those projected in the forward-looking statements. These and other risks are identified under the caption “Risk Factors” in Genelux’ filings with the Securities and Exchange Commission. All forward-looking statements contained in this press release speak only as of the date on which they were made and are based on management’s assumptions and estimates as of such date. Genelux does not undertake any obligation to publicly update any forward-looking statements, whether as a result of the receipt of new information, the occurrence of future events or otherwise.

**Investor and Media Contacts**

Ankit Bhargava, MD
Allele Communications, LLC
genelux@allelecomms.com

Source: Genelux Corporation

**Genelux Corporation**
**Condensed Balance Sheets**
(In thousands, except for share amounts and par value data)

| | June 30, 2023 | December 31, 2022 |
|---|---|---|
| | (Unaudited) | |
| **ASSETS** | | |
| **Current Assets** | | |
| Cash | $ 27,140 | $ 397 |
| Prepaid expenses and other current assets | 1,543 | 1,495 |
| **Total Current Assets** | 28,683 | 1,892 |
| | | |
| Property and equipment, net | 878 | 644 |
| Right of use asset | 1,710 | 1,335 |
| Deferred offering costs | - | 1,568 |
| Other assets | 92 | 92 |
| **Total Other Assets** | 2,680 | 3,639 |
| | | |
| **TOTAL ASSETS** | $ 31,363 | $ 5,531 |
| | | |
| **LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)** | | |
| **Current Liabilities** | | |
| Accounts payable and accrued expenses | $ 4,484 | $ 6,775 |
| Accrued compensation | 2,684 | 2,852 |
| Accrued interest payable | - | 1,178 |
| Accrued interest payable - director and shareholders | 60 | 3,817 |
| Deferred revenue | - | 170 |
| Warrant liabilities | - | 169 |
| Lease liability, current portion | 585 | 266 |

| | | |
|---|---|---|
| Notes payable - shareholders, net of debt discount of $108 in 2022 | - | 992 |
| Convertible notes payable - shareholders, current portion, including $65 and $105 past due, respectively | 65 | 15,407 |
| **Total Current Liabilities** | 7,878 | 31,626 |
| | | |
| **Long-term Liabilities** | | |
| Lease liability, long-term portion | 1,229 | 1,164 |
| Convertible notes payable, net of debt discount of $541 in 2022 | - | 8,524 |
| **Total Long-term Liabilities** | 1,229 | 9,688 |
| | | |
| **Total Liabilities** | 9,107 | 41,314 |
| | | |
| **Shareholders' Equity (Deficit)** | | |
| Preferred stock, Series A through K, par value $0.001, 10,000,000 shares authorized; no shares and 22,094,889 shares issued and outstanding, respectively; | - | 22 |
| Common stock, par value $0.001, 200,000,000 shares authorized; 25,855,511 and 9,126,726 shares issued and outstanding, respectively | 26 | 9 |
| Treasury stock, 433,333 shares, at cost | (433) | (433) |
| Additional paid-in capital | 232,073 | 154,401 |
| Accumulated other comprehensive income | 2 | 2 |
| Accumulated deficit | (209,412) | (189,784) |
| **Total Shareholders' Equity (Deficit)** | 22,256 | (35,783) |
| | | |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)** | $ 31,363 | $ 5,531 |

The accompanying notes are an integral part of these condensed financial statements.

**Genelux Corporation**
**Condensed Statements of Operations**
(in thousands, except for share amounts and per share data)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| | **(Unaudited)** | | **(Unaudited)** | |
| Revenues | $ - | $ - | $ 170 | $ - |
| | | | | |
| Operating expenses: | | | | |
| Research and development | 2,943 | 1,827 | 5,788 | 4,196 |
| General and administrative | 2,452 | 972 | 6,239 | 2,067 |
| Total operating expenses | 5,395 | 2,799 | 12,027 | 6,263 |
| | | | | |
| Loss from operations | (5,395) | (2,799) | (11,857) | (6,263) |
| | | | | |
| Other expenses: | | | | |
| Interest expense | (24) | (285) | (167) | (573) |
| Debt discount amortization | - | (50) | (649) | (99) |
| Financing costs | - | - | (3,110) | - |
| Debt extinguishment costs | (402) | - | (402) | - |
| Gain on forgiveness of PPP loan payable | - | 314 | - | 314 |
| Total other expenses | (426) | (21) | (4,328) | (358) |
| | | | | |
| NET LOSS | $ (5,821) | $ (2,820) | $ (16,185) | $ (6,621) |
| | | | | |
| BASIC AND DILUTED LOSS PER COMMON SHARE | $ (0.23) | $ (0.31) | $ (0.72) | $ (0.73) |
| | | | | |
| WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING - | | | | |

| | | | | |
|---|---|---|---|---|
| BASIC AND DILUTED | 25,068,334 | 9,111,694 | 22,334,311 | 9,111,039 |

The accompanying notes are an integral part of these condensed financial statements.

Source: Genelux Corporation