



REDEFINING IMMUNO-ONCOLOGY

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

November 14, 2023

- Expanded executive team as Lourie Zak appointed Chief Financial Officer -
- Extended clinical focus on systemic administration in small cell lung cancer -
- \$29.9 million in cash and equivalents -

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

"The third quarter was highlighted by continued expansion of our executive team while advancing our pivotal Phase 3 study in platinum resistant/refractory ovarian cancer. Additionally, our small cell lung cancer trial is progressing," said [Thomas Zindrick](#), President, Chairman and CEO of Genelux. "Looking ahead, we remain focused on our ongoing trials, including initiating our Phase 2 study in non-small cell lung cancer."

### Pipeline Highlights

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., continue the co-sponsored Phase 1b/2 trial of Olvi-Vec in small cell lung cancer, with the first patient having been dosed. Newsoara is responsible for 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.

### Business Updates

Genelux announced key leadership appointments to further position the company for a potential future filing of a biologics license application and commercial launch of Olvi-Vec. Ms. Zak joined Genelux as Chief Financial Officer (CFO), with an extensive background in CFO roles, including with Guitar Center Brands, Sonifi Solutions, and PBS Biotech. Ms. Zak started her biotech career at Amgen where she progressively moved into more senior positions, including Executive Director Finance, Global Commercial Operations. Ms. Zak brings years of accounting and financial management expertise to her role at Genelux as the company continues to pursue its operating plan.

### Third Quarter 2023 Financial Results

Cash, Cash Equivalents and Investments: At September 30, 2023, the Company had cash on hand in the amount of \$29.9 million. During the nine months ended September 30, 2023, the Company closed its initial public offering (IPO) and two private placements and received \$37.8 million of gross proceeds from the offerings. The Company also received commitments through the private placements for the funding of an additional \$24.0 million. Initially the additional funds were to be received by November 15, 2023, but, in November 2023, the Company agreed to extend the funding deadline for \$2.0 million of the remaining committed investment amounts to March 31, 2024. The investor who was obligated to fund \$22.0 million of the remaining committed investment amounts has not made such payments and has indicated that he does not intend to comply with his investment commitments through the private placements. We are currently evaluating our options to address this investor's non-compliance with his contractual obligations. 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 \$24.0 million at September 30, 2023. The Company expects its cash on hand at September 30, 2023 will last into the second quarter of 2025.

R&D Expenses: Research and development expenses were \$2.8 million for the third quarter of 2023, as compared to \$2.4 million for the third quarter of 2022. The increase was primarily due to additional manufacturing and laboratory materials and other expenses related to manufacturing activities of \$0.6 million offset partially by a decrease in clinical, regulatory and consulting expense of \$0.2 million.

G&A Expenses: General and administrative expenses were \$2.5 million for the third quarter of 2023, as compared to \$2.2 million for the third 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 \$5.3 million for the third quarter of 2023, as compared to net income of \$4.9 million for the third quarter of 2022. In the third quarter 2022, we recognized \$11.0 million revenue associated with a license fee resulting from our 2021 agreement with Newsoara BioPharma Co., Ltd.

### 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](http://www.genelux.com) and follow us on Twitter [@Genelux\\_Corp](https://twitter.com/Genelux_Corp) and on [Linkedln](https://www.linkedin.com/company/genelux).

#### 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 and operating plan, the extension of Genelux's cash runway and how long our current cash and cash commitments will fund our operations, clinical trials for Olvi-Vec and their potential success, 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

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Source: Genelux Corporation

### Genelux Corporation Condensed Balance Sheets

(In thousands, except for share amounts and par value data)

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
	<b>(Unaudited)</b>	
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 29,869	\$ 397
Prepaid expenses and other current assets	1,310	1,495
<b>Total Current Assets</b>	<b>31,179</b>	<b>1,892</b>
Property and equipment, net	1,022	644
Right of use assets	1,779	1,335
Deferred offering costs	-	1,568
Other assets	92	92
<b>Total Other Assets</b>	<b>2,893</b>	<b>3,639</b>
<b>TOTAL ASSETS</b>	<b>\$ 34,072</b>	<b>\$ 5,531</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 4,009	\$ 6,775
Accrued payroll and payroll taxes	4,101	2,852
Accrued interest payable	-	1,178
Accrued interest payable - director and shareholders	38	3,817
Deferred revenue	-	170
Warrant liabilities	-	169
Lease liability, current portion	567	266
Notes payable - shareholders, net of debt discount of \$108 in 2022	-	992
Convertible notes payable - shareholders, current portion, including \$40 and \$105 past due, respectively	40	15,407
<b>Total Current Liabilities</b>	<b>8,755</b>	<b>31,626</b>
<b>Long-term Liabilities</b>		
Lease liability, long-term portion	1,289	1,164

Convertible notes payable, net of debt discount of \$541 in 2022	-	8,524
<b>Total Long-term Liabilities</b>	<u>1,289</u>	<u>9,688</u>
<b>Total Liabilities</b>	<u>10,044</u>	<u>41,314</u>
<b>Shareholders' Equity (Deficit)</b>		
Preferred stock, Series A through K, par value \$0.001, 10,000,000 shares authorized as of 9/30/2023 and 29,927,994 authorized as of 12/31/2022; no shares and 22,094,889 shares issued and outstanding, respectively;	-	22
Common stock, par value \$0.001, 200,000,000 shares authorized; 26,657,906 and 9,126,726 shares issued and outstanding, respectively	27	9
Treasury stock, 433,333 shares, at cost	(433)	(433)
Additional paid-in capital	239,189	154,401
Accumulated other comprehensive income	2	2
Accumulated deficit	<u>(214,757)</u>	<u>(189,784)</u>
<b>Total Shareholders' Equity (Deficit)</b>	<u>24,028</u>	<u>(35,783)</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>	<b>\$ 34,072</b>	<b>\$ 5,531</b>

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)

	<u>Three Months Ended</u> <u>September 30,</u>		<u>Nine Months Ended</u> <u>September 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Unaudited)		(Unaudited)	
Revenues	\$ -	\$ 11,000	\$ 170	\$ 11,000
Operating expenses:				
Research and development	2,819	2,414	8,607	6,610
General and administrative	2,488	2,242	8,727	4,309
Total operating expenses	<u>5,307</u>	<u>4,656</u>	<u>17,334</u>	<u>10,919</u>
Income (loss) from operations	<u>(5,307)</u>	<u>6,344</u>	<u>(17,164)</u>	<u>81</u>
Other income (expenses):				
Interest income	4	-	4	-
Interest expense	-	(286)	(167)	(859)
Debt discount amortization	-	(49)	(649)	(148)
Financing costs	(42)	-	(3,152)	-
Debt extinguishment costs	-	-	(402)	-
Gain on forgiveness of PPP loan payable	-	-	-	314
Total other expenses, net	<u>(38)</u>	<u>(335)</u>	<u>(4,366)</u>	<u>(693)</u>
Income (loss) before provision for foreign income taxes	(5,345)	6,009	(21,530)	(612)
Provision for foreign income taxes	<u>-</u>	<u>(1,100)</u>	<u>-</u>	<u>(1,100)</u>
<b>NET INCOME (LOSS)</b>	<b>\$ (5,345)</b>	<b>\$ 4,909</b>	<b>\$ (21,530)</b>	<b>\$ (1,712)</b>
<b>INCOME (LOSS) PER COMMON SHARE - BASIC</b>	<b>\$ (0.20)</b>	<b>\$ 0.54</b>	<b>\$ (0.91)</b>	<b>\$ (0.19)</b>
<b>WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING - BASIC</b>	<b>26,210,068</b>	<b>9,117,596</b>	<b>23,640,995</b>	<b>9,113,039</b>
<b>INCOME (LOSS) PER COMMON SHARE - DILUTED</b>	<b>\$ (0.20)</b>	<b>\$ 0.49</b>	<b>\$ (0.91)</b>	<b>\$ (0.19)</b>

WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING - DILUTED	26,210,068	10,073,788	23,640,995	9,113,039
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The accompanying notes are an integral part of these condensed financial statements.



Source: Genelux Corporation