



Plus Therapeutics Reports Third Quarter 2019 Financial and Business Results

November 14, 2019

"Emerges with the financial strength, development focus and cost structure to achieve long-term viability and growth"

AUSTIN, Texas, Nov. 14, 2019 (GLOBE NEWSWIRE) -- Plus Therapeutics, Inc. (Nasdaq: [PSTV](#)) (the "Company") today announced financial and business results for the third quarter of 2019.

Third quarter 2019 net income from continuing operations was \$0.5 million, or \$0.03 per share. Total net income for the quarter after factoring in discontinued operations was also \$0.5 million, or \$0.03 per share. Operating cash burn for the quarter was approximately \$2.1 million. Plus Therapeutics ended the quarter with approximately \$16.8 million of cash and cash equivalents.

"Plus Therapeutics emerges from the third quarter with the financial strength, development focus and cost structure to achieve long-term viability and growth," said Dr. Marc Hedrick, President and Chief Executive Officer of Plus Therapeutics. "We believe our company is now poised to aggressively move its pipeline through important milestones and to eventual market leadership. We believe that our pipeline has the potential to produce drugs that may provide tremendous benefits to patients and shareholders alike."

Third Quarter 2019 Corporate Highlights

- The Company received notification that a \$4.6 million payment from the U.S. Department of Health and Human Services / Office of the Assistant Secretary for Preparedness and Response / Biomedical Advanced Research and Development Authority ("BARDA") to reimburse the Company for work performed during fiscal years 2012 through 2019, will be paid in the fourth quarter.
- The Company completed an underwritten public offering with gross proceeds of approximately \$15 million. The Company intends to use the net proceeds from the offering and from BARDA for research and development activities, working capital, potential debt restructuring and general corporate purposes.
- The Company completed its strategic initiative that included the adoption of its new name, Plus Therapeutics, Inc., and trading symbol as part of sharpened focus on product candidates that can potentially maximize returns for shareholders and make a clinically meaningful impact for patients. The Company is concentrating its development in ways that can leverage the U.S. FDA's accelerated regulatory pathways and enable the Company to apply its in-house expertise in nanoparticle drug design, complex formulation, and drug manufacturing to scale-up.
- The Company announced that its initial development focus will be on DocePLUS (formerly ATI-1123) -- a complex, injectable, patented, albumin-stabilized pegylated liposomal docetaxel -- for which a U.S. Phase 1 clinical trial has been completed and published. The Company has previously announced that it received feedback from the U.S. FDA that a 505(b)(2) new drug application appears to be an acceptable regulatory approach for DocePLUS. The Company intends to submit a Phase 2 clinical trial protocol in Small Cell Lung Cancer patients with platinum-sensitive disease who progressed at least 60 days after initiation of first-line chemotherapy to the U.S. FDA in the second half of 2019.
- The Company moved its headquarters from San Diego, CA, to Austin, TX, while maintaining a manufacturing facility in San Antonio, TX. The move was driven in part by significant incentives offered by the State of Texas, whose Cancer Prevention & Research Institute is second only to the federal government in public funding of cancer research.

Third Quarter 2019 Financial Performance Highlights

- Q3 2019 operating cash burn was \$2.1 million, compared to \$2.6 million for Q3 2018.
- Q3 2019 contract revenues were \$4.8 million, compared to \$0.5 million for Q3 2018.
- Q3 2019 net income from continuing operations was \$0.5 million or \$ 0.03 per share, compared to a net loss of (\$1.4) million or (\$22.27) per share for Q3 2018.
- Q3 2019 total net income after factoring in discontinued operations was \$0.5 million or \$ 0.03 per share compared to a total net loss of (\$2.3) million or (\$ 27.63) per share for Q3 2018, after factoring in discontinued operations.
- Cash and cash equivalents and debt principal balances at September 30, 2019, were approximately \$16.8 million and \$9.3 million, respectively.

Investor Call Today at 5 p.m. Eastern Time

The Company plans to hold a conference call and live audio webcast at 5 p.m. Eastern Time to discuss its financial results and provide a general business update.

Event: Plus Therapeutics Third Quarter 2019 Conference Call and Webcast
Date: Today, November 14, 2019
Time: 5 p.m. Eastern Time

Live Call: Dial-In +1.877.402.3914 and Conference ID 2486739
Live Webcast: <http://ir.plustherapeutics.com/events/default.aspx>
Replay (available 2 hours after the Live Call): Dial-In +1.855.859.2056 and Conference ID 9998475

About Plus Therapeutics, Inc.

Plus Therapeutics, Inc. is a clinical-stage pharmaceutical company focused on the discovery, development, and manufacturing scale up of complex and innovative treatments for patients battling cancer and other life-threatening diseases.

Our proprietary nanotechnology platform is currently centered around the enhanced delivery of a variety of drugs using novel liposomal encapsulation technology. Liposomal encapsulation has been extensively explored and undergone significant technical and commercial advances since it was first developed. Our platform is designed to facilitate new delivery approaches and/or formulations of safe and effective, injectable drugs, potentially enhancing the safety, efficacy and convenience for patients and healthcare providers.

Our lead product candidate, DocePLUS, is a protein-stabilized PEGylated liposomal formulation of docetaxel, for which the process of preparation is patented. The active pharmaceutical ingredient, docetaxel, was approved by the U.S. FDA in 1999 and commonly used for treating cancers of the breast, head, neck, stomach, prostate, and lung.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains certain statements that may be deemed “forward-looking statements” within the meaning of U.S. securities laws. All statements, other than statements of historical fact, that address activities, events or developments that we intend, expect, project, believe or anticipate and similar expressions or future conditional verbs such as will, should, would, could or may occur in the future are forward-looking statements. Such statements are based upon certain assumptions and assessments made by our management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. These statements include, without limitation, statements about: the Company’s potential to facilitate new delivery approaches and/or formulations of safe and effective, injectable drugs, potentially enhancing the safety, efficacy and convenience for patients and healthcare providers; the Company’s potential to develop a market leading position; and the potential for, and timing of, the Company’s submission of a Phase 2 clinical trial protocol in Small Cell Lung Cancer patients with platinum-sensitive disease who progressed at least 60 days after initiation of first-line chemotherapy. The forward-looking statements included in this press release are subject to a number of additional material risks and uncertainties, including but not limited to: the risk that the U.S. FDA does not accept the Company’s submission of a Phase 2 clinical trial protocol in Small Cell Lung Cancer patients with platinum-sensitive disease who progressed at least 60 days after initiation of first-line chemotherapy; the risk that the Company is not able to successfully develop product candidates that can leverage the U.S. FDA’s accelerated regulatory pathways; and the risks described under the heading “Risk Factors” in the Company’s Securities and Exchange Commission filings, including in the Company’s annual and quarterly reports. There may be events in the future that the Company is unable to predict, or over which it has no control, and its business, financial condition, results of operations and prospects may change in the future. The Company assumes no responsibility to update or revise any forward-looking statements to reflect events, trends or circumstances after the date they are made unless the Company has an obligation under U.S. federal securities laws to do so.

PLUS THERAPEUTICS, INC.
(previously known as Cytori Therapeutics, Inc.)
CONSOLIDATED CONDENSED BALANCE SHEETS
(UNAUDITED)
(in thousands, except share and par value data)

	<u>As of September 30, 2019</u>	<u>As of December 31, 2018</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 16,834	\$ 5,261
Accounts receivable	4,781	178
Restricted cash	40	40
Inventories, net	107	107
Other current assets	502	785
Current assets held for sale	<u>—</u>	<u>3,277</u>
Total current assets	22,264	9,648
Property and equipment, net	2,209	2,299
Operating lease right-of-use assets	818	—

Other assets	52	39
Noncurrent assets held for sale	—	11,633
Goodwill	372	372
Total assets	<u>\$ 25,715</u>	<u>\$ 23,991</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 3,334	\$ 2,777
Operating lease liability	156	—
Term loan obligations, net of discount	10,937	14,202
Current liabilities held for sale	—	580
Total current liabilities	<u>14,427</u>	<u>17,559</u>
Other noncurrent liabilities	38	46
Noncurrent operating lease liability	684	—
Warrant liability	10,406	916
Noncurrent liabilities held for sale	—	245
Total liabilities	<u>25,555</u>	<u>18,766</u>
Commitments and contingencies (Notes 8 and 9)		
Stockholders' equity:		
Preferred stock, \$0.001 par value; 5,000,000 shares authorized; 1,959 and 4,606 shares issued and outstanding in 2019 and 2018, respectively	—	—
Common stock, \$0.001 par value; 100,000,000 shares authorized; 2,841,588 and 296,609 shares issued and outstanding in 2019 and 2018, respectively	3	—
Additional paid-in capital	426,311	418,390
Accumulated other comprehensive income	—	1,218
Accumulated deficit	(426,154)	(414,383)
Total stockholders' equity	<u>160</u>	<u>5,225</u>
Total liabilities and stockholders' equity	<u>\$ 25,715</u>	<u>\$ 23,991</u>

PLUS THERAPEUTICS, INC.
(previously known as Cytori Therapeutics, Inc.)
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME(LOSS)
(UNAUDITED)
(in thousands, except share and per share data)

	<u>For the Three Months Ended</u> <u>September 30,</u>		<u>For the Nine Months Ended</u> <u>September 30,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Development revenues:				
Government contracts and other	\$ 4,771	\$ 454	\$ 5,810	\$ 2,270
	<u>4,771</u>	<u>454</u>	<u>5,810</u>	<u>2,270</u>
Operating expenses:				
Research and development	921	1,226	3,636	3,887
Sales and marketing	94	118	305	596
General and administrative	1,076	1,337	3,313	4,639
Total operating expenses	<u>2,091</u>	<u>2,681</u>	<u>7,254</u>	<u>9,122</u>
Operating income (loss)	<u>2,680</u>	<u>(2,227)</u>	<u>(1,444)</u>	<u>(6,852)</u>

Other income (expense):				
Interest income	6	11	20	30
Interest expense	(366)	(513)	(1,477)	(1,379)
Change in fair value of warrants	(561)	1,676	(69)	1,676
Warrant issuance cost	(1,233)	(343)	(1,233)	(343)
Total other income (expense)	(2,154)	831	(2,759)	(16)
Income (loss) from continuing operations	\$ 526	\$ (1,396)	\$ (4,203)	\$ (6,868)
Loss from discontinued operations	—	(934)	(7,568)	(3,530)
Net Income (loss)	<u>\$ 526</u>	<u>\$ (2,330)</u>	<u>\$ (11,771)</u>	<u>\$ (10,398)</u>

Income (Loss) from continuing operations	\$ 526	\$ (1,396)	\$ (4,203)	\$ (6,868)
Beneficial conversion feature for convertible preferred stock	(554)	(2,487)	(554)	(2,487)
Net loss allocable to common stockholders - continuing operations	\$ (28)	\$ (3,883)	\$ (4,757)	\$ (9,355)
Net loss allocable to common stockholders - discontinued operations	\$ —	\$ (934)	\$ (7,568)	\$ (3,530)

Basic and diluted net loss per share attributable to common stockholders from continuing operations	\$ (0.03)	\$ (22.27)	\$ (8.78)	\$ (67.09)
Basic and diluted net loss per share attributable to common stockholders from discontinued operations	\$ —	\$ (5.36)	\$ (13.97)	\$ (25.31)
Net loss per share, basic and diluted	<u>\$ (0.03)</u>	<u>\$ (27.63)</u>	<u>\$ (22.75)</u>	<u>\$ (92.40)</u>

Basic and diluted weighted average shares used in calculating net loss per share attributable to common stockholders	826,548	174,324	541,777	139,452
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Comprehensive income (loss):				
Net income (loss)	\$ 526	\$ (2,330)	\$ (11,771)	\$ (10,398)
Other comprehensive loss – foreign currency translation adjustments	—	(55)	—	(205)
Comprehensive income (loss)	<u>\$ 526</u>	<u>\$ (2,385)</u>	<u>\$ (11,771)</u>	<u>\$ (10,603)</u>

PLUS THERAPEUTICS, INC.
(previously known as Cytori Therapeutics, Inc.)
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(in thousands)

	For the Nine Months Ended September 30,	
	2019	2018
Cash flows from operating activities:		
Net loss	\$ (11,771)	\$ (10,398)
Adjustments to reconcile net loss to net cash used in operating activities:		
Noncash lease expense	22	—
Depreciation and amortization	778	1,465
Amortization of deferred financing costs and debt discount	354	383
Provision for excess inventory	—	433
Change in fair value of warrants	69	(1,676)
Allocation of issuance costs associated with warrants	1,233	343
Share-based compensation expense	106	325
Loss on asset disposal	—	23

Loss on sale of business	6,306	—
Increases (decreases) in cash caused by changes in operating assets and liabilities:		
Accounts receivable	(4,851)	(316)
Inventories	274	615
Other current assets	252	514
Other assets	298	7
Accounts payable and accrued expenses	(95)	(1,274)
Deferred revenues	29	93
Other long-term liabilities	54	(24)
Net cash used in operating activities	<u>(6,942)</u>	<u>(9,487)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(8)	(128)
Proceeds from sale of business, net	2,789	—
Net cash provided by (used in) investing activities	<u>2,781</u>	<u>(128)</u>
Cash flows from financing activities:		
Principal payment of long-term obligations	(642)	—
Payment of financing lease liability	(75)	—
Proceeds from exercise of warrants	491	—
Proceeds from sale of common stock, net of offering cost	15,964	6,246
Net cash provided by financing activities	<u>15,738</u>	<u>6,246</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(4)</u>	<u>(10)</u>
Net increase (decrease) in cash and cash equivalents	11,573	(3,379)
Cash, cash equivalents, and restricted cash at beginning of period	5,301	10,225
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 16,874</u>	<u>\$ 6,846</u>
Supplemental disclosure of cash flows information:		
Cash paid during period for:		
Interest	\$ 1,071	\$ 990
Supplemental schedule of non-cash investing and financing activities:		
Proceeds from sales of business, net, paid directly to lender for principal payment of long-term obligations	\$ 3,050	\$ —
Offering cost paid in warrants	\$ 213	\$ —
Unpaid offering costs	\$ 403	\$ —
Reclass of warrants upon exercise from liability to equity	\$ 794	\$ —

Plus Therapeutics, Inc.

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Source: Plus Therapeutics, Inc.