



NeuroBo Pharmaceuticals Reports First Quarter 2020 Financial Results

May 20, 2020

BOSTON, May 20, 2020 /PRNewswire/ -- **NeuroBo Pharmaceuticals, Inc.** (Nasdaq: NRBO), a clinical-stage biotechnology company focused on developing and commercializing multimodal, disease-modifying therapies for neurodegenerative and cardiometabolic diseases, today announced financial results for the first quarter ended March 31, 2020.

"The first quarter and subsequent months have been another productive period for the company, marked by the successful completion, in a very challenging capital market, of a registered direct common stock offering in April that bolstered our cash position by \$7.5 million, significantly strengthening the balance sheet and providing a cash runway through the first quarter of 2021. Additionally, we were issued a key U.S. composition patent covering NB-02 which, given its demonstrated multimodal therapeutic advantages, may represent an important new alternative for the prevention and treatment of Alzheimer's and other neurodegenerative disorders," stated Richard J. Kang, Ph.D., President and Chief Executive Officer of NeuroBo. "Subject to improvement of global health and macroeconomic conditions, we plan to submit an Investigational New Drug application to the U.S. Food and Drug Administration (FDA) for NB-02 and to initiate a Phase 1 trial in the first quarter of next year."

Dr. Kang continued, "We have continued to devote scientific resources to evaluating the potential to bring the NB-01 asset to the market through a different regulatory pathway. The avenues of exploration include development of NB-01 as an orphan drug and/or a nutraceutical (non-pharmaceutical) product. Additionally, we submitted the complete response letter to the FDA and continue to expect a reply in the second quarter regarding removal of the partial clinical hold for Gemcabene, our novel, once-daily, oral therapy designed to target known lipid metabolic pathways to lower levels of LDL-C, hsCRP and triglycerides. If we receive a favorable decision, we will be able to evaluate further options for this key clinical asset."

First Quarter Financial and Operating Results Highlights

Upon the merger between Gemphire Therapeutics, Inc. and NeuroBo Pharmaceuticals, Inc. at year-end 2019, the formerly private NeuroBo was considered the accounting acquirer. In accordance with generally accepted accounting principles, the historical financial statements of private company, NeuroBo, are considered the financial statements of the combined company, with the merger accounted for as an acquisition of the Gemcabene family of related assets on December 30, 2019. The following highlights, therefore, represent the combined operations of both companies for the quarter ended March 31, 2020 and the operations of NeuroBo as a private company for the comparable quarter ended March 31, 2019.

- **Research and Development (R&D) Expenses** were \$2.2 million for the three months ended March 31, 2020 compared with \$1.8 million for the three months ended March 31, 2019. The \$0.4 million increase in 2020 was primarily attributed to the CRO termination costs associated with the Phase 3 clinical trials of NB-01 in the amount of \$0.7 million, and to the further development of Gemcabene under the Contingent Value Rights Agreement in the amount of \$0.4 million, offset in part by the overall reduction of clinical trial activity in the current quarter when compared to the comparable period in the prior year. R&D expenses during the three months ended March 31, 2020 and 2019 included stock-based compensation of \$14,000 and \$39,000, respectively.
- **General and Administrative Expenses** were \$2.6 million for the first quarter ended March 31, 2020, compared with \$0.7 million for the three months ended March 31, 2019. The increase of \$1.9 million was primarily due to the ramp up costs associated with operating and reporting as a public company and to post-Merger support costs in the first quarter of 2020.
- **Net Loss** for the first quarter ended March 31, 2020 was approximately \$4.8 million, or \$0.30 per basic and diluted share, based on 15,670,800 weighted average common shares outstanding, compared with a net loss of approximately \$2.5 million, or \$0.48 per basic and diluted share, based on 5,166,812 weighted average common shares outstanding for the same period in 2019.
- **Cash and Cash Equivalents** were \$9.8 million as of March 31, 2020, compared with \$13.9 million at December 31, 2019. The company expects that its cash position, including the net proceeds from the April 2020 registered direct common stock offering, will be adequate to fund operations through the first quarter of 2021.

About NeuroBo Pharmaceuticals

NeuroBo Pharmaceuticals, Inc. is focused on novel treatments for neurodegenerative and cardiometabolic diseases affecting millions of patients worldwide. The company's multimodal approach has the potential to address the multiple underlying mechanisms of neurodegenerative diseases, alleviate symptoms and slow disease progression. The company's drug candidate, NB-01, for the treatment of painful diabetic neuropathy (PDN), has been shown in a Phase 2 study to significantly reduce pain symptoms associated with PDN with a superior safety profile when compared to currently available treatments. Due to global COVID-19 crisis, a planned Phase 3 study is currently postponed. In the interim, NeuroBo is exploring a potential

orphan drug indication and/or a nutraceutical pathway targeting chronic pain for NB-01. NeuroBo's drug candidate, NB-02, is focused on the treatment of Alzheimer's disease and neurodegenerative diseases associated with the pathological dysfunction of tau proteins in the brain. The company is also exploring an orphan drug pathway for NB-02. The company's third program, Gemcabene, is focused on developing and commercializing therapies for the treatment of dyslipidemia, a serious medical condition that increases the risk of life-threatening cardiovascular disease.

NeuroBo Pharmaceuticals was jointly founded by Dr. Roy Freeman, professor of neurology at Harvard Medical School and renowned expert in neuropathic pain, and JK BioPharma Solutions, a biotechnology consulting company, to commercialize natural product-based research into ethical medicines. In December 2019, NeuroBo merged with Gemcabene and through such merger, became listed on the Nasdaq Stock Market and added the Gemcabene family of related assets to its portfolio. For more information visit: <https://www.neurobopharma.com>.

Forward Looking Statements

Any statements in this press release that are not statements of historical fact constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include, but are not limited to, statements regarding the development of NeuroBo's product candidates and the therapeutic potential, timing and nature of clinical trials and potential regulatory approval of NeuroBo's clinical programs and pipeline. Forward-looking statements are usually identified by the use of words, such as "believes," "anticipates," "expects," "intends," "plans," "may," "potential," "will," "could" and similar expressions. Actual results may differ materially from those indicated by forward-looking statements as a result of various important factors and risks. These factors, risks and uncertainties include, but are not limited to: the occurrence of health epidemics or contagious diseases, such as COVID-19, and potential effects on NeuroBo's business, clinical trial sites, supply chain and manufacturing facilities; NeuroBo's ability to continue as a going concern; the timing of completion of NeuroBo's planned clinical trials; the timing of the availability of data from NeuroBo's clinical trials; NeuroBo's plans to research, develop and commercialize its current and future product candidates, including the potential alternative pathways for NB-01; NeuroBo's ability to successfully collaborate with existing collaborators or enter into new collaborations and to fulfill its obligations under any such collaboration agreements; the clinical utility, potential benefits and market acceptance of NeuroBo's product candidates; the impact of government laws and regulations; NeuroBo's ability to protect its intellectual property position; and NeuroBo's need for additional financing to fulfill its stated goals; and other factors discussed in the "Risk Factors" section of NeuroBo's Annual Report on Form 10-K and in our other filings with the Securities and Exchange Commission. In addition, the forward-looking statements included in this press release represent NeuroBo's views as of the date hereof. NeuroBo anticipates that subsequent events and developments will cause its views to change. However, while NeuroBo may elect to update these forward-looking statements at some point in the future, NeuroBo specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing NeuroBo's views as of any date subsequent to the date hereof.

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NeuroBo Pharmaceuticals, Inc. Condensed Consolidated Balance Sheets (in thousands, except share amounts and par value)

	March 31, 2020	December 31, 2019
	(unaudited)	
Assets		
Current assets:		
Cash	\$ 9,799	\$ 13,908
Restricted cash	15	15
Prepaid expenses	1,332	153
Other assets	65	42
Total current assets	11,211	14,118
Right-of-use assets and other	143	150
Property and equipment, net	181	200
Total assets	\$ 11,535	\$ 14,468
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 1,273	\$ 638
Accrued liabilities	2,411	1,422
Lease liability, short-term	22	22
Total current liabilities	3,706	2,082
Lease and other long-term liabilities	89	94
Total liabilities	3,795	2,176
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized; no shares issued or outstanding as of March 31, 2020 and December 31, 2019.	—	—
Common stock, \$0.001 par value per share, 100,000,000 shares authorized; 15,677,307 and 15,592,718 shares issued and outstanding as of March 31, 2020 and December 31, 2019, respectively.	16	16

Additional paid-in capital	49,342	49,130
Accumulated other comprehensive income	(22)	12
Accumulated deficit	<u>(41,596)</u>	<u>(36,866)</u>
Total stockholders' equity	<u>7,740</u>	<u>12,292</u>
Total liabilities and stockholders' equity	<u>\$ 11,535</u>	<u>\$ 14,468</u>

NeuroBo Pharmaceuticals, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except share and per share amounts)
(unaudited)

	For the Three Months Ended	
	March 31,	
	2020	2019
Operating expenses:		
Research and development	\$ 2,152	\$ 1,800
General and administrative	2,597	651
Total operating expenses	<u>4,749</u>	<u>2,451</u>
Loss from operations	(4,749)	(2,451)
Interest (expense) income, net	20	(13)
Other income (expense), net	<u>(1)</u>	<u>—</u>
Loss before income taxes	(4,730)	(2,464)
Provision for income taxes	<u>—</u>	<u>—</u>
Net loss	<u>(4,730)</u>	<u>(2,464)</u>
Other comprehensive loss:		
Foreign currency translation loss, net of tax	<u>(34)</u>	<u>(2)</u>
Total other comprehensive loss	<u>(34)</u>	<u>(2)</u>
Comprehensive loss	<u>\$ (4,764)</u>	<u>\$ (2,466)</u>
Loss per share:		
Net loss per share, basic and diluted	<u>\$ (0.30)</u>	<u>\$ (0.48)</u>
Weighted average common shares outstanding:		
Basic and diluted	<u>15,670,800</u>	<u>5,166,812</u>

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