



November 14, 2016

## Mateon Provides Corporate Update and Reports Third Quarter 2016 Financial Results

SOUTH SAN FRANCISCO, Calif., Nov. 14, 2016 (GLOBE NEWSWIRE) -- [Mateon Therapeutics, Inc.](#) (Nasdaq:MATN), a biopharmaceutical company developing vascular disrupting agents (VDAs) for the treatment of orphan oncology indications, today provided a corporate update and reported financial results for the third quarter of 2016.

### Recent Corporate Highlights

- | Entered into a collaboration with U.S. Oncology Research for their participation in Mateon's Phase 2/3 FOCUS Study evaluating CA4P in combination with bevacizumab (Avastin®) and chemotherapy for the treatment of patients with platinum-resistant ovarian cancer.
- | Continued to expand the number of U.S. investigator sites participating in the FOCUS Study.
- | Expanded the FOCUS Study into Europe, with sites in Belgium now actively recruiting patients.
- | Completed enrollment in the second cohort and initiated the third cohort of OX1222, an open-label dose-ranging study of OX14503 in combination with cytarabine, in patients with relapsed/refractory acute myeloid leukemia (AML).
- | Received an issued patent for pre-clinical cathepsin-inhibiting compounds from the U.S. Patent and Trademark Office.
- | Expanded Board of Directors with appointment of two experienced biopharmaceutical executives.

"I am pleased that our most advanced clinical trial, the FOCUS Study, remains on track and now has 20 investigator sites qualified to enroll patients," stated William D. Schwieterman, M.D., Mateon's President and Chief Executive Officer.

"Importantly, we are seeking to demonstrate improvement over the current standard of care in platinum-resistant ovarian cancer, and positive results from this trial could ultimately change the treatment paradigm in ovarian cancer, as well as the much broader field of vascular-targeted therapy in a variety of other solid tumor cancers. Therefore, the results of this clinical trial are critical to our goal of creating long-term shareholder value."

### Financial Results for the Third Quarter of 2016

For the third quarter of 2016, Mateon reported a net loss of \$3.2 million compared to a net loss of \$3.6 million for the third quarter of 2015. R&D expenses decreased to \$2.1 million in the third quarter of 2016, compared to \$2.5 million in the third quarter of 2015, while general and administrative expenses increased to \$1.2 million for the third quarter of 2016 compared to \$1.1 million for the third quarter of 2015.

At September 30, 2016, Mateon had cash, cash equivalents and short-term investments of \$16.3 million, which the Company currently believes is sufficient to fund operations through the availability of key clinical data from the FOCUS Study, which is expected in the second half of 2017.

### About Mateon

Mateon Therapeutics, Inc. is a biopharmaceutical company seeking to realize the full potential of vascular targeted therapy (VTT) in oncology. VTT includes vascular disrupting agents (VDAs) such as the investigational drugs that Mateon is developing, and anti-angiogenic agents (AAs), a number of which are FDA-approved and widely used in cancer treatment. These two approaches have distinct yet complementary mechanisms of action.

At Mateon, we believe that we can significantly improve cancer therapy by employing these two complementary approaches simultaneously. When utilized this way, VDAs obstruct existing blood vessels in the tumor leading to significant central tumor cell death while AAs prevent the formation of new tumor blood vessels.

Mateon is committed to leveraging our intellectual property and the product development expertise of our highly skilled management team to enable VTT to realize its true potential and to bring much-needed new therapies to cancer patients worldwide.

### Safe Harbor Statement

This news release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Any or all of the forward-looking statements in this press release, which include the timing of advancement, outcomes, data and regulatory guidance relative to our clinical programs and achievement of our business and financing objectives may turn out to be wrong. Forward-looking statements can be affected by inaccurate assumptions Mateon might

make or by known or unknown risks and uncertainties, including, but not limited to, the inherent risks of drug development, manufacturing and regulatory review, and the availability of additional financing to pursue and continue development of our programs. Additional information concerning factors that could cause actual results to materially differ from those in the forward-looking statements is contained in Mateon's reports to the Securities and Exchange Commission, including Mateon's reports on Form 10-K, 10-Q and 8-K. However, Mateon undertakes no obligation to publicly update forward-looking statements, whether because of new information, future events or otherwise. Please refer to our Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

**Mateon Therapeutics, Inc.**  
**Statement of Operations Data**  
**(Unaudited)**

	<u>Three months ended</u> <u>September 30,</u>		<u>Nine months ended</u> <u>September 30,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	(all amounts in thousands, except per share data)			
Operating Expenses:				
Research and development	\$ 2,075	\$ 2,457	\$ 6,429	\$ 6,107
General and administrative	1,187	1,142	3,855	3,597
Total operating expenses	<u>3,262</u>	<u>3,599</u>	<u>10,284</u>	<u>9,704</u>
Loss from Operations	(3,262)	(3,599)	(10,284)	(9,704)
Interest income	26	7	84	15
Other income (expense), net	-	-	(1)	1
Net loss and comprehensive loss	<u>\$ (3,236)</u>	<u>\$ (3,592)</u>	<u>\$ (10,201)</u>	<u>\$ (9,688)</u>
Basic and diluted net loss per common share attributable to common stock	<u>\$ (0.12)</u>	<u>\$ (0.14)</u>	<u>\$ (0.38)</u>	<u>\$ (0.39)</u>
Weighted-average number of common shares outstanding	<u>26,545</u>	<u>26,545</u>	<u>26,545</u>	<u>24,748</u>

**Mateon Therapeutics, Inc.**  
**Balance Sheet Data**  
**(Unaudited)**

	<u>September 30, 2016</u>		<u>December 31, 2015</u>	
	(all amounts in thousands)			
<b>Assets</b>				
Cash and cash equivalents	\$ 5,167		\$ 27,285	
Short-term investments	11,113		-	
Prepaid expenses and other current assets	934		105	
Other assets	47		63	
Total assets	<u>\$ 17,261</u>		<u>\$ 27,453</u>	
<b>Liabilities and stockholders' equity</b>				
Accounts payable and accrued liabilities	\$ 1,485		\$ 2,103	
Total stockholders' equity	<u>15,776</u>		<u>25,350</u>	
Total liabilities and stockholders' equity	<u>\$ 17,261</u>		<u>\$ 27,453</u>	

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Source: Mateon Therapeutics

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