

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2023

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number: 001-37524

vTv Therapeutics Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

47-3916571
(I.R.S. Employer
Identification No.)

3980 Premier Dr, Suite 310
High Point, NC
(Address of principal executive offices)

27265
(Zip Code)

(336) 841-0300

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.01 per share	VTVT	NASDAQ Capital Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Class of Stock	Shares Outstanding as of November 9, 2023
Class A common stock, par value \$0.01 per share	81,483,600
Class B common stock, par value \$0.01 per share	23,093,860

vTv THERAPEUTICS INC. AND SUBSIDIARIES
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FOR THE QUARTER ENDED SEPTEMBER 30, 2023

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PART I – FINANCIAL INFORMATION

The financial statements and other disclosures contained in this report include those of vTv Therapeutics Inc. (“we”, the “Company” or the “Registrant”), which is the registrant, and those of vTv Therapeutics LLC (“vTv LLC”), which is the principal operating subsidiary of the Registrant. Unless the context suggests otherwise, references in this Quarterly Report on Form 10-Q to the “Company”, “we”, “us” and “our” refer to vTv Therapeutics Inc. and its consolidated subsidiaries.

vTv Therapeutics Inc.
Condensed Consolidated Balance Sheets
(in thousands, except number of shares and per share data)

	September 30, 2023 (Unaudited)	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,238	\$ 12,126
Accounts receivable	—	173
G42 Promissory Note receivable	—	12,243
Prepaid expenses and other current assets	1,872	2,537
Current deposits	15	15
Total current assets	10,125	27,094
Property and equipment, net	140	207
Operating lease right-of-use assets	272	349
Long-term investments	4,387	5,588
Total assets	<u>\$ 14,924</u>	<u>\$ 33,238</u>
Liabilities, Redeemable Noncontrolling Interest and Stockholders' Deficit		
Current liabilities:		
Accounts payable and accrued expenses	\$ 9,620	\$ 7,313
Current portion of operating lease liabilities	165	154
Current portion of contract liabilities	17	17
Current portion of notes payable	473	224
Total current liabilities	10,275	7,708
Contract liabilities, net of current portion	18,669	18,669
Operating lease liabilities, net of current portion	213	338
Warrant liability, related party	278	684
Total liabilities	29,435	27,399
Commitments and contingencies		
Redeemable noncontrolling interest	10,722	16,579
Stockholders' deficit:		
Class A common stock, \$0.01 par value; 200,000,000 shares authorized, 81,483,600 shares outstanding as of September 30, 2023 and December 31, 2022	815	815
Class B common stock, \$0.01 par value; 100,000,000 shares authorized, and 23,093,860 outstanding as of September 30, 2023 and December 31, 2022	232	232
Additional paid-in capital	254,912	253,737
Accumulated deficit	(281,192)	(265,524)
Total stockholders' deficit attributable to vTv Therapeutics Inc.	<u>(25,233)</u>	<u>(10,740)</u>
Total liabilities, redeemable noncontrolling interest and stockholders' deficit	<u>\$ 14,924</u>	<u>\$ 33,238</u>

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

vTv Therapeutics Inc.
Condensed Consolidated Statements of Operations - Unaudited
(in thousands, except number of shares and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue	\$ —	\$ —	\$ —	\$ 2,009
Operating expenses:				
Research and development	2,824	3,055	11,457	8,393
General and administrative	2,544	2,634	9,338	9,813
Total operating expenses	<u>5,368</u>	<u>5,689</u>	<u>20,795</u>	<u>18,206</u>
Operating loss	(5,368)	(5,689)	(20,795)	(16,197)
Other (expense) income, net	(3,640)	403	(1,514)	(2,998)
Other income (expense) – related party	341	(324)	406	221
Interest income	131	150	384	200
Interest expense	(4)	(8)	(6)	(9)
Loss before income taxes and noncontrolling interest	<u>(8,540)</u>	<u>(5,468)</u>	<u>(21,525)</u>	<u>(18,783)</u>
Income tax provision	—	—	—	200
Net loss before noncontrolling interest	<u>(8,540)</u>	<u>(5,468)</u>	<u>(21,525)</u>	<u>(18,983)</u>
Less: net loss attributable to noncontrolling interest	<u>(1,886)</u>	<u>(1,207)</u>	<u>(4,753)</u>	<u>(4,564)</u>
Net loss attributable to vTv Therapeutics Inc.	<u>\$ (6,654)</u>	<u>\$ (4,261)</u>	<u>\$ (16,772)</u>	<u>\$ (14,419)</u>
Net loss attributable to vTv Therapeutics Inc. common shareholders	<u>\$ (6,654)</u>	<u>\$ (4,261)</u>	<u>\$ (16,772)</u>	<u>\$ (14,419)</u>
Net loss per share of vTv Therapeutics Inc. Class A common stock, basic and diluted	<u>\$ (0.08)</u>	<u>\$ (0.05)</u>	<u>\$ (0.21)</u>	<u>\$ (0.20)</u>
Weighted average number of vTv Therapeutics Inc. Class A common stock, basic and diluted	<u>81,483,600</u>	<u>80,490,121</u>	<u>81,483,600</u>	<u>72,649,531</u>

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

vTv Therapeutics Inc.

Condensed Consolidated Statement of Changes in Redeemable Noncontrolling Interest and Stockholders' Deficit - Unaudited

(in thousands, except number of shares)

For the three months ended September 30, 2023

	Redeemable Noncontrolling Interest	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
		Shares	Amount	Shares	Amount			
Balances at June 30, 2023	\$ 18,879	81,483,600	\$ 815	23,093,860	\$ 232	\$ 254,479	\$ (280,809)	\$ (25,283)
Net loss	(1,886)	—	—	—	—	—	(6,654)	(6,654)
Share-based compensation	—	—	—	—	—	433	—	433
Change in redemption value of noncontrolling interest	(6,271)	—	—	—	—	—	6,271	6,271
Balances at September 30, 2023	\$ 10,722	81,483,600	\$ 815	23,093,860	\$ 232	\$ 254,912	\$ (281,192)	\$ (25,233)

For the three months ended September 30, 2022

	Redeemable Noncontrolling Interest	Class A Common Stock		Class B Common Stock		Note Receivable for Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
		Shares	Amount	Shares	Amount				
Balances at June 30, 2022	\$ 15,916	77,329,051	\$ 773	23,093,860	\$ 232	\$ —	\$ 243,772	\$ (253,303)	\$ (8,526)
Net loss	(1,207)	—	—	—	—	—	—	(4,261)	(4,261)
Share-based compensation	—	—	—	—	—	—	338	—	338
Issuance of Class A common stock under CinRx purchase agreement, net of offering costs	—	4,154,549	42	—	—	(4,000)	9,336	—	5,378
Change in redemption value of noncontrolling interest	9,498	—	—	—	—	—	—	(9,498)	(9,498)
Balances at September 30, 2022	\$ 24,207	81,483,600	\$ 815	23,093,860	\$ 232	\$ (4,000)	\$ 253,446	\$ (267,062)	\$ (16,569)

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

vTv Therapeutics Inc.

Condensed Consolidated Statement of Changes in Redeemable Noncontrolling Interest and Stockholders' Deficit - Unaudited

(in thousands, except number of shares)

For the nine months ended September 30, 2023

	Redeemable Noncontrolling Interest	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
		Shares	Amount	Shares	Amount			
		Balances at December 31, 2022	\$ 16,579	81,483,600	\$ 815			
Net loss	(4,753)	—	—	—	—	—	(16,772)	(16,772)
Share-based compensation	—	—	—	—	—	1,175	—	1,175
Change in redemption value of noncontrolling interest	(1,104)	—	—	—	—	—	1,104	1,104
Balances at September 30, 2023	\$ 10,722	81,483,600	\$ 815	23,093,860	\$ 232	\$ 254,912	\$ (281,192)	\$ (25,233)

For the nine months ended September 30, 2022

	Redeemable Noncontrolling Interest	Class A Common Stock		Class B Common Stock		Note Receivable for Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
		Shares	Amount	Shares	Amount				
		Balances at December 31, 2021	\$ 24,962	66,942,777	\$ 669				
Net loss	(4,564)	—	—	—	—	—	(14,419)	(14,419)	
Share-based compensation	—	—	—	—	—	981	—	981	
Issuance of Class A common stock to collaboration partner, net of offering costs	—	10,386,274	104	—	—	4,936	—	5,040	
Issuance of Class A common stock under CinRx purchase agreement, net of offering costs	—	4,154,549	42	—	—	(4,000)	9,336	5,378	
Change in redemption value of noncontrolling interest	3,809	—	—	—	—	—	(3,809)	(3,809)	
Balances at September 30, 2022	\$ 24,207	81,483,600	\$ 815	23,093,860	\$ 232	\$ (4,000)	\$ 253,446	\$ (267,062)	\$ (16,569)

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

vTv Therapeutics Inc.
Condensed Consolidated Statements of Cash Flows - Unaudited
(in thousands)

	Nine Months Ended September 30,	
	2023	2022
Cash flows from operating activities:		
Net loss before noncontrolling interest	\$ (21,525)	\$ (18,983)
Adjustments to reconcile net loss before noncontrolling interest to net cash used in operating activities:		
Depreciation expense	67	69
Loss from G42 Promissory Note early redemption	313	—
Non-cash interest income	(100)	(200)
Interest expense	—	9
Share-based compensation expense	1,175	981
Change in fair value of investments	(3,044)	2,998
Impairment of investments in Anteris Bio, Inc.	4,245	—
Change in fair value of warrants, related party	(406)	(221)
Changes in assets and liabilities:		
Accounts receivable	173	—
Prepaid expenses and other assets	665	853
Accounts payable and accrued expenses	2,270	(1,417)
Contract liabilities	—	6,769
Net cash used in operating activities	<u>(16,167)</u>	<u>(9,142)</u>
Cash flows from investing activities:		
Purchases of property and equipment	—	(21)
Net cash used in investing activities	<u>—</u>	<u>(21)</u>
Cash flows from financing activities:		
Proceeds from G42 Promissory Note early redemption related to sale of Class A common stock to collaboration partner	12,030	—
Proceeds from sale of Class A common stock to collaboration partner, net of offering costs	—	5,040
Proceeds from sale of Class A common stock and warrants, net of offering costs	—	5,746
Proceeds from debt issuance	566	776
Repayment of notes payable	(317)	(475)
Net cash provided by financing activities	<u>12,279</u>	<u>11,087</u>
Net (decrease) increase in cash and cash equivalents	(3,888)	1,924
Total cash and cash equivalents, beginning of period	12,126	13,415
Total cash and cash equivalents, end of period	<u>\$ 8,238</u>	<u>\$ 15,339</u>
Non-cash activities:		
Change in redemption value of noncontrolling interest	\$ (1,104)	\$ 3,809
Notes receivable recorded at fair value from collaboration partner	—	11,891
Notes receivable for common stock from CinRx purchase agreement	\$ —	\$ 4,000

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

vTv Therapeutics Inc.

Notes to Condensed Consolidated Financial Statements – Unaudited
(dollar amounts are in thousands, unless otherwise noted)

Note 1: Description of Business, Basis of Presentation and Going Concern

Description of Business

vTv Therapeutics Inc. (the “Company,” the “Registrant,” “we” or “us”) was incorporated in the state of Delaware in April 2015. The Company is a clinical stage pharmaceutical company focused on treating metabolic and inflammatory diseases to minimize their long-term complications and improve the lives of patients.

Principles of Consolidation

vTv Therapeutics Inc. is a holding company, and its principal asset is a controlling equity interest in vTv Therapeutics LLC (“vTv LLC”), the Company’s principal operating subsidiary, which is a clinical stage pharmaceutical company engaged in the discovery and development of orally administered small molecule drug candidates to fill significant unmet medical needs.

The Company has determined that vTv LLC is a variable-interest entity (“VIE”) for accounting purposes and that vTv Therapeutics Inc. is the primary beneficiary of vTv LLC because (through its managing member interest in vTv LLC and the fact that the senior management of vTv Therapeutics Inc. is also the senior management of vTv LLC) it has the power and benefits to direct all of the activities of vTv LLC, which include those that most significantly impact vTv LLC’s economic performance. vTv Therapeutics Inc. has therefore consolidated vTv LLC’s results pursuant to Accounting Standards Codification Topic 810, “Consolidation” in its Condensed Consolidated Financial Statements. Various holders own nonvoting interests in vTv LLC, representing a 22.1% economic interest in vTv LLC, effectively restricting vTv Therapeutics Inc.’s interest to 77.9% of vTv LLC’s economic results, subject to increase in the future, should vTv Therapeutics Inc. purchase additional nonvoting common units (“vTv Units”) of vTv LLC, or should the holders of vTv Units decide to exchange such units (together with shares of the Company’s Class B common stock, par value \$0.01 (“Class B common stock”)) for shares of Class A common stock (or cash) pursuant to the Exchange Agreement (as defined in Note 9). vTv Therapeutics Inc. has provided financial and other support to vTv LLC in the form of its purchase of vTv Units with the net proceeds of the Company’s initial public offering (“IPO”) in 2015, its registered direct offering in March 2019, and its agreeing to be a co-borrower under the Venture Loan and Security Agreement (the “Loan Agreement”) with Horizon Technology Finance Corporation and Silicon Valley Bank (together, the “Lenders”) which was entered into in 2016. vTv Therapeutics Inc. entered into the letter agreements with MacAndrews and Forbes Group LLC (“M&F Group”), a related party and an affiliate of MacAndrews & Forbes Incorporated (together with its affiliates “MacAndrews”) in December 2017, July 2018, December 2018, March 2019, September 2019, and December 2019 (each a “Letter Agreement” and collectively, the “Letter Agreements”). In addition, vTv Therapeutics Inc. also entered into the Controlled Equity OfferingSM Sales Agreement (the “Sales Agreement”) with Cantor Fitzgerald & Co. (“Cantor Fitzgerald”) (the “ATM Offering”), the purchase agreement with Lincoln Park Capital Fund, LLC (“Lincoln Park”) (the “LPC Purchase Agreement”), the common stock purchase agreement with G42 Investments AI Holding RSC Ltd (“G42 Investments”) (the “G42 Purchase Agreement”) and the common stock and warrant purchase agreement with CinPax, LLC and CinRx, LLC, respectively (the “CinRx Purchase Agreement”). vTv Therapeutics Inc. will not be required to provide financial or other support for vTv LLC. However, vTv Therapeutics Inc. will control its business and other activities through its managing member interest in vTv LLC, and its management is the management of vTv LLC. Nevertheless, because vTv Therapeutics Inc. will have no material assets other than its interests in vTv LLC, any financial difficulties at vTv LLC could result in vTv Therapeutics Inc. recognizing a loss.

Going Concern and Liquidity

To date, the Company has not generated any product revenue and has not achieved profitable operations. The continuing development of our drug candidates will require additional financing. From its inception through September 30, 2023, the Company has funded its operations primarily through a combination of private placements of common and preferred equity, research collaboration agreements, upfront and milestone payments for license agreements, debt and equity financings and the completion of its IPO in August 2015. As of September 30, 2023, the Company had an accumulated deficit of \$281.2 million and has generated net losses in each year of its existence.

As of September 30, 2023, the Company’s liquidity sources included cash and cash equivalents of \$8.2 million. Based on our current operating plan, we believe that our current cash and cash equivalents will allow us to meet our liquidity requirements into the first quarter of 2024. To meet our future funding requirements into the third quarter of 2024, including

funding the ongoing and future clinical trials of *cadisegliatin* (TTP399), we are evaluating several financing strategies, including direct equity investments and the potential licensing and monetization of other Company programs.

The Company may also use its remaining availability of \$37.3 million under its Sales Agreement with Cantor Fitzgerald pursuant to which the Company may offer and sell, from time to time shares of the Company's Class A common stock and the ability to sell an additional 9,437,376 shares of Class A common stock under the LPC Purchase Agreement based on the remaining number of registered shares. However, the ability to use these sources of capital is dependent on a number of factors, including the prevailing market price of and the volume of trading in the Company's Class A common stock. See Note 9 for further details.

If we are unable to raise additional capital as and when needed, or upon acceptable terms, such failure would have a significant negative impact on our financial condition. As such, these conditions raise substantial doubt about the Company's ability to continue as a going concern.

The Company's financial statements have been prepared assuming the Company will continue as a going concern, which contemplates, among other things, the realization of assets and satisfaction of liabilities in the normal course of business. The Condensed Consolidated Financial Statements do not include adjustments to reflect the possible future effects on the recoverability and classification of recorded assets or the amounts of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 2: Summary of Significant Accounting Policies

Unaudited Interim Financial Information

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The accompanying Condensed Consolidated Balance Sheet as of September 30, 2023, Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2023 and 2022, Condensed Consolidated Statement of Changes in Redeemable Noncontrolling Interest and Stockholders' Deficit for the three and nine months ended September 30, 2023 and 2022 and Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2023 and 2022 are unaudited. These unaudited financial statements have been prepared in accordance with the rules and regulations of the United States Securities and Exchange Commission ("SEC") for interim financial information. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. These financial statements should be read in conjunction with the audited financial statements and the accompanying notes for the year ended December 31, 2022, contained in the Company's Annual Report on Form 10-K. The unaudited interim financial statements have been prepared on the same basis as the annual financial statements and, in the opinion of management, reflect all adjustments (consisting of normal recurring adjustments) necessary to state fairly the Company's financial position as of September 30, 2023, the results of operations for the three and nine months ended September 30, 2023 and 2022 and cash flows for the nine months ended September 30, 2023 and 2022. The December 31, 2022 Condensed Consolidated Balance Sheet included herein was derived from the audited financial statements but does not include all disclosures or notes required by GAAP for complete financial statements.

The financial data and other information disclosed in these notes to the financial statements related to the three and nine months ended September 30, 2023 and 2022 are unaudited. Interim results are not necessarily indicative of results for an entire year.

The Company does not have any components of other comprehensive income recorded within its Condensed Consolidated Financial Statements, and, therefore, does not separately present a statement of comprehensive income in its Condensed Consolidated Financial Statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

On an ongoing basis, the Company evaluates its estimates, including those related to the grant date fair value of equity awards, the fair value of warrants to purchase shares of its Class A common stock, the fair value of its Class B common stock, the useful lives of property and equipment and the fair value of the Company's debt, among others. The Company bases its estimates on historical experience and on various other assumptions that it believes to be reasonable, the results of which form the basis for making judgments about the carrying value of assets and liabilities.

Concentration of Credit Risk

Financial instruments that potentially expose the Company to concentrations of credit risk consist principally of cash on deposit with one financial institution. The balance of the cash account frequently exceed insured limits. The associated risk of concentration for cash and cash equivalents is mitigated by transferring a majority of our cash to a AAA rated money market account with a creditworthy institution.

One hundred percent (100%) of the revenue earned during the nine months ended September 30, 2022 was attributable from the satisfaction of a development milestone from the First Huadong Amendment (as defined herein). The Company did not have any revenue during the three months ended September 30, 2022. The Company did not have any revenue during the three and nine months ended September 30, 2023.

Cash and Cash Equivalents

The Company considers any highly liquid investments with an original maturity of three months or less to be cash and cash equivalents.

Investments

Investments in entities in which the Company has no control or significant influence, is not the primary beneficiary, and have a readily determinable fair value are classified as equity investments with readily determinable fair value. The investments are measured at fair value based on a quoted market price per unit in active markets multiplied by the number of units held without consideration of transaction costs (Level 1). Gains and losses are recorded in other income (expense), net on the Condensed Consolidated Statements of Operations.

Equity investments without readily determinable fair value include ownership rights that do not provide the Company with control or significant influence and these investments do not have readily determinable fair values. The Company has elected to measure its equity investments without readily determinable fair values at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment.

Revenue Recognition

The Company uses the revenue recognition guidance established by ASC 606, *Revenue From Contracts With Customers* ("ASC 606"). When an agreement falls under the scope of other standards, such as ASC 808, *Collaborative Arrangements* ("ASC 808"), the Company will apply the recognition, measurement, presentation, and disclosure guidance in ASC 606 to the performance obligations in the agreements if those performance obligations are with a customer. Revenue recognized by analogizing to ASC 606, is recorded as collaboration revenue on the statements of operations.

The majority of the Company's revenue results from its license and collaboration agreements associated with the development of investigational drug products. The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. For each contract meeting these criteria, the Company identifies the performance obligations included within the contract. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. The Company then recognizes revenue under each contract as the related performance obligations are satisfied. The Company will recognize collaboration revenue under ASC 808 as a stand-ready obligation under ASC 606 over time based on the estimated period of performance.

The transaction price under the contract is determined based on the value of the consideration expected to be received in exchange for the transferred assets or services. Development, regulatory and sales milestones included in the Company's collaboration agreements are considered to be variable consideration. The amount of variable consideration expected to be received is included in the transaction price when it becomes probable that the milestone will be met. For contracts with multiple performance obligations, the contract's transaction price is allocated to each performance obligation using the Company's best estimate of the standalone selling price of each distinct good or service in the contract. The primary method used to estimate standalone selling price is the expected cost plus margin approach. Revenue is recognized over the related period over which the Company expects the services to be provided using a proportional performance model or a straight-line method of recognition if there is no discernible pattern over which the services will be provided.

Research and Development

Major components of research and development costs include cash compensation, depreciation expense on research and development property and equipment, costs of preclinical studies, clinical trials and related clinical manufacturing, costs

of drug development, costs of materials and supplies, facilities cost, overhead costs, regulatory and compliance costs, and fees paid to consultants and other entities that conduct certain research and development activities on the Company's behalf. Research and development costs are expensed as incurred.

The Company records accruals based on estimates of the services received, efforts expended and amounts owed pursuant to contracts with numerous contract research and manufacturing organizations. In the normal course of business, the Company contracts with third parties to perform various clinical study activities in the ongoing development of potential products. The financial terms of these agreements are subject to negotiation and variation from contract to contract and may result in uneven payment flows. Payments under the contracts depend on factors such as the achievement of certain events and the completion of portions of the clinical study or similar conditions. The objective of the Company's accrual policy is to match the recording of expenses in its financial statements to the actual services received and efforts expended. As such, expense accruals related to clinical studies are recognized based on the Company's estimate of the degree of completion of the event or events specified in the specific clinical study.

The Company records nonrefundable advance payments it makes for future research and development activities as prepaid expenses. Prepaid expenses are recognized as expenses in the Condensed Consolidated Statements of Operations as the Company receives the related goods or services.

Research and development costs that are reimbursed under a cost-sharing arrangement are reflected as a reduction of research and development expense.

Recently Issued Accounting Pronouncements

Fair Value Measurements: In June 2022, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2022-03 *Fair Value Measurements (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. These amendments clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. This guidance is effective for public business entities for fiscal years, including interim periods within those fiscal years, beginning after December 15, 2023. Early adoption is permitted. The Company has assessed ASU 2022-03 and early adopted the guidance during the second quarter of 2022. The adoption did not have a material impact on the Company's Condensed Consolidated Financial Statements.

Note 3: Collaboration Agreements

G42 Purchase Agreement and Cognia Collaborative and License Agreement

The Company and G42 Investments AI Holding RSC Ltd, a private limited company ("G42 Investments"), entered into a Common Stock Purchase Agreement (the "G42 Purchase Agreement") on May 31, 2022, pursuant to which the Company sold to G42 Investments 10,386,274 shares of the Company's Class A common stock at a price per share of approximately \$2.41, for an aggregate purchase price of \$25.0 million, which was paid (i) \$12.5 million in cash at the closing and (ii) \$12.5 million in the form of a promissory note of G42 Investments to be paid at May 31, 2023 (the "G42 Promissory Note"). As part of the G42 Purchase Agreement, G42 Investments nominated a director as appointee and the Company's board of directors approved appointing the new director to the Company's board. On February 28, 2023, the Company and G42 Investments amended the G42 Purchase Agreement and modified the G42 Promissory Note to accelerate the payment due under the note. Pursuant to the amendment, on February 28, 2023, the Company received \$12.0 million, which reflected the original amount due under the G42 Promissory Note less a 3.75% discount, in full satisfaction of the note, resulting in a loss of \$0.3 million and was recognized as a component of other income/(expense) in the Company's Condensed Consolidated Statements of Operations.

G42 Investments has agreed to certain transfer restrictions (including restrictions on short sales or similar transactions) and restrictions on further acquisitions of shares, in each case subject to specified exceptions. Following the expiration of a lock up period, from the period May 31, 2022 until December 31, 2024, (or if earlier, the date of receipt of U.S. Food and Drug Administration ("FDA") approval in the U.S. for *cadisegliatin* (TTP399), the Company has granted to G42 Investments certain shelf and piggyback registration rights with respect to those shares of Class A common stock issued to G42 Investments pursuant to the G42 Purchase Agreement, including the ability to conduct an underwritten offering to resell such shares under certain circumstances. The registration rights include customary cooperation, cut-back, expense reimbursement, and indemnification provisions.

Contemporaneously with the G42 Purchase Agreement, effective on May 31, 2022, the Company entered into a collaboration and license agreement (the "Cognia Agreement") with Cognia Technology Solutions LLC, an affiliate of G42 Investments ("Cognia"), which requires Cognia to work with the Company in performing clinical trials for *cadisegliatin*.

(TTP399) as well as jointly creating a global development plan to develop, market, and commercialize *cadisegliatin* (TTP399) in certain countries in the Middle East, Africa, and Central Asia (the “Partner Territory”). Under the terms of the Cogna Agreement, Cogna will obtain a license under certain intellectual property controlled by the Company to enable it to fulfill its obligations and exercise its rights under the Cogna agreement, including to develop and commercialize *cadisegliatin* (TTP399) in the Partner Territory, but will not have access to the various intellectual property (“IP”) related to the license and *cadisegliatin* (TTP399). Specifically, the Company will share various protocols with Cogna related to conducting the clinical trials and will provide the patient dosages and placebo of *cadisegliatin* (TTP399) needed to conduct the trials.

Under the Cogna Agreement, Cogna has the right to develop and commercialize *cadisegliatin* (TTP399) in the Partner Territory at its own cost once restrictions on the use of the IP have been lifted by the Company. The Cogna Agreement determined which specific countries in the Partner Territory that Cogna may pursue development and commercialization and provides the Company with the ability to determine when Cogna can benefit from this IP through the powers granted to the Company to approve the global development plan. Further, the Company may supply at cost, or Cogna may manufacture, *cadisegliatin* (TTP399) for commercial sale under terms to be agreed upon by the parties at a later date.

Separately, the Company will conduct its clinical trials for *cadisegliatin* (TTP399) outside of the Partner Territory at its own cost. The results of each party’s clinical trials will be combined by the Company to seek FDA approval in the United States for *cadisegliatin* (TTP399). On December 21, 2022, G42 Healthcare Technology Solutions LLC (formerly known as Cogna Technology Solutions LLC) novated its rights and obligation under the Cogna agreement to G42 Healthcare Research Technology Projects LLC (“G42 Healthcare”), an affiliate of G42 Investments. As a result of the novation, all reference to Cogna herein shall be deemed to refer to G42 Healthcare.

The G42 Purchase Agreement also provides for, following the receipt of FDA approval of *cadisegliatin* (TTP399), at the option of G42 Investments, either (a) the issuance of the Company’s Class A common stock (the “Milestone Shares”) having an aggregate value equal to \$30.0 million or (b) the payment by the Company of \$30.0 million in cash (the “Milestone Cash Payment”). The issuance of the Milestone Shares or the payment of the Milestone Cash Payment, as applicable, is conditioned upon receipt of the FDA approval and subject to certain limitations and conditions set forth in the G42 Purchase Agreement. There can be no assurance that the FDA approval will be granted or as to the timing thereof.

Once commercialization takes place in the Partner Territory, the Company will receive royalties in the single digits from Cogna on the net sales of *cadisegliatin* (TTP399) for a period of at least ten years after the first commercial sale of *cadisegliatin* (TTP399) in the Partner Territory.

Common stock is generally recorded at fair value at the date of issuance. In determining the fair value of the Class A common stock issued to G42 Investments, the Company considered the closing price of the common stock on the effective date. The Company did not make an adjustment to the fair value for sale restrictions on the stock in accordance with guidance recently adopted in ASU 2022-03. See the “Recently Issued Accounting Guidance” in this quarterly report on Form 10-Q for details of the ASU. Accordingly, the Company determined that cash consideration of \$5.7 million should be recorded as fair value of the Class A common stock at the effective date, utilizing the Class A common stock closing price of \$0.55 at the effective date.

A premium was paid on the Class A common stock by G42 Investments of \$18.7 million, net of a note receivable discount of \$0.6 million. This premium is determined to be the transaction price for all remaining obligations under the agreements, which will be accounted for under ASC 808 or ASC 606 based on determination of the unit of account.

The Company determined that certain commitments under the agreements are in the scope of ASC 808 as both the Company and Cogna are active participants in the clinical trials of *cadisegliatin* (TTP399), and both are exposed to significant risks and rewards based on the success of the clinical trials and subsequent FDA approval. Cogna is determined to be a vendor of the Company during the clinical trial phase, working on the Company’s behalf to complete R&D activities, and not in a customer capacity. The Company accounted for the commitments related to the clinical trials, which includes transfer of trial protocols, supply of clinical trial dosages, and collaboration on the joint development committee (“JDC”) as an ASC 808 unit of account, applying the recognition and measurement principles of ASC 606 by analogy. The Company will recognize collaboration revenue for its development activities under ASC 808 over time based on the estimated period of performance.

By applying the principals in ASC 606 by analogy, the Company identified the performance obligation and considered the timing of satisfaction of the obligation to account for the pattern of revenue recognition. In order to recognize collaboration revenue, generally, the Company would begin satisfying its performance obligation and Cogna would need to be able to use and benefit from delivery of the assets or services. The performance obligation under the agreements that fall within the ASC 808 unit of account are concentrated in the clinical trials. As of September 30, 2023, the clinical trials had not

commenced. Accordingly, no collaboration revenue was recognized for the ASC 808 unit of account during the three and nine months ended September 30, 2023.

The Company identified certain commitments that are in the scope of ASC 606 as Cogna's relationship is that of a customer for these commitments. The significant performance obligations that are in the scope of ASC 606 are (1) the development, commercialization and manufacturing license of the IP once restrictions on the use of the IP have been lifted by the Company and (2) a potential material right to a commercial supply agreement. The Company will recognize revenue from the development, commercial and manufacturing license at a point in time when the Company releases the restrictions on the use of the IP, which is expected to be after *cadisegliatin* (TTP399) is approved by the FDA. The Company will recognize revenue from the material right related to Cogna's ability to purchase the commercial supply at cost as Cogna purchases the commercial supply from the Company, which will occur after the completion of the initial clinical trials (if Cogna decides to purchase the clinical supply from the Company). As a result, the Company has not recognized any revenue under the ASC 606 unit of account during the three and nine months ended September 30, 2023.

On February 28, 2023, the Company and G42 Investments amended the G42 Purchase Agreement and modified the G42 Promissory Note to accelerate the payment due under the note. Pursuant to the amendment, on February 28, 2023, the Company received \$12.0 million, which reflected the original amount due under the G42 Promissory Note less a 3.75% discount, in full satisfaction of the note, resulting in a loss of \$0.3 million and was recognized as a component of other income/(expense) in the Company's Condensed Consolidated Statements of Operations. The G42 Promissory Note receivable was classified and accounted for under ASC 310 *Receivables* ("ASC 310") and was initially measured at its fair value of \$11.9 million. The Company also recorded the \$18.7 million as deferred revenue in the Condensed Consolidated Balance Sheets, as none of the underlying performance obligations had been satisfied as of and for the three and nine months ended September 30, 2023.

Huadong License Agreement

The Company is party to a license agreement with Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd. ("Huadong") (the "Huadong License Agreement"), under which Huadong obtained an exclusive and sublicensable license to develop and commercialize the Company's glucagon-like peptide-1 receptor agonist ("GLP-1r") program, including the compound TTP273, for therapeutic uses in humans or animals, in China and certain other Pacific Rim countries, including Australia and South Korea (collectively, the "Huadong License Territory"). Additionally, under the Huadong License Agreement, the Company obtained a nonexclusive, sublicensable, royalty-free license to develop and commercialize certain Huadong patent rights and know-how related to the Company's GLP-1r program for therapeutic uses in humans or animals outside of the Huadong License Territory.

On January 14, 2021, the Company entered into the first amendment to the Huadong License Agreement (the "First Huadong Amendment") which eliminated the Company's obligation to sponsor a multi-region clinical trial (the "Phase 2 MRCT"), and corresponding obligation to contribute up to \$3.0 million in support of such trial. The amendment also reduced the total potential development and regulatory milestone payments by \$3.0 million.

Prior to the First Amendment, the Company had allocated a portion of the transaction price to the obligation to sponsor and conduct a portion of the Phase 2 MRCT. Upon the removal of this performance obligation, the Company evaluated the impact of the modification under the provisions of ASC 606 and performed a reallocation of the transaction price among the remaining performance obligations. The majority of the transaction price originally allocated to the Phase 2 MRCT performance obligation was reallocated to the license and technology transfer services combined performance obligation discussed below, which had already been completed. The reallocation of the purchase price in connection with the First Huadong Amendment was made based on the relative estimated selling prices of the remaining performance obligations.

The significant performance obligations under the Huadong License Agreement, as amended, were determined to be (i) the exclusive license to develop and commercialize the Company's GLP-1r program, (ii) technology transfer services related to the chemistry and manufacturing know-how for a defined period after the effective date, (iii) the Company's obligation to participate on a joint development committee (the "JDC"), and (iv) other obligations considered to be immaterial in nature.

The Company has determined that the license and technology transfer services related to the chemistry and manufacturing know-how represent a combined performance obligation because they were not capable of being distinct on their own. The Company also determined that there was no discernible pattern in which the technology transfer services would be provided during the transfer service period. As such, the Company recognized the revenue related to this combined performance obligation using the straight-line method over the transfer service period. In the first quarter of 2022, the transaction price for this performance obligation was increased by \$2.0 million due to the satisfaction of a development milestone under the license agreement. This amount was fully recognized as revenue during the nine months ended

September 30, 2022 as the related performance obligation was fully satisfied. No revenue related to this combined performance obligation was recognized during the nine months ended September 30, 2023.

A portion of the transaction price allocated to the obligation to participate in the JDC to oversee the development of products and the Phase 2 MRCT in accordance with the development plan remained deferred as of September 30, 2023, and revenue will be recognized using the proportional performance model over the period of the Company's participation on the JDC. The unrecognized amount of the transaction price allocated to this performance obligation as of September 30, 2023 was immaterial. An immaterial amount of revenue for this performance obligation was recognized during the nine months ended September 30, 2022. No revenue for this performance obligation has been recognized during the nine months ended September 30, 2023.

Anteris License Agreement

On December 11, 2020, the Company entered into a license agreement with Anteris Bio, Inc. ("Anteris") (the "Anteris License Agreement"), under which Anteris obtained a worldwide, exclusive and sublicensable license to develop and commercialize the Company's Nrf2 activator, *HPP971*.

Under the terms of the Anteris License Agreement, Anteris paid the Company an initial license fee of \$2.0 million. The Company is eligible to receive additional potential development, regulatory, and sales-based milestone payments totaling up to \$151.0 million. Anteris is also obligated to pay vTv royalty payments at a double-digit rate based on annual net sales of licensed products. Such royalties will be payable on a licensed product-by-licensed product basis until the latest of expiration of the licensed patents covering a licensed product in a country, expiration of data exclusivity rights for a licensed product in a country, or a specified number of years after the first commercial sale of a licensed product in a country. As additional consideration, the Company received preferred stock representing a minority ownership interest in Anteris.

Pursuant to the terms of the Anteris License Agreement, the Company was required to provide technology transfer services for a 30 day period after the effective date. In accordance with ASC 606, the Company identified all of the performance obligations at the inception of the Anteris License Agreement. The significant obligations were determined to be the license and the technology transfer services. The Company has determined that the license and technology transfer services represent a single performance obligation because they were not capable of being distinct on their own. The transaction price has been fully allocated to this combined performance obligation and consisted of the \$2.0 million initial license payment as well as the fair value of the equity interest received in Anteris of \$4.2 million. The revenue related to this performance obligation was fully recognized during the year ended December 31, 2020, as the technology transfer services were considered complete as of that date. No revenue was recognized related to the Anteris License Agreement during the three and nine months ended September 30, 2023 and 2022.

On September 25, 2023, Anteris notified the Company that it was terminating the Anteris License Agreement. Under the terms of the Anteris License Agreement, the termination would become effective ninety days following the receipt of notice, or December 24, 2023. The Company has begun the process of winding up the license, including obtaining all regulatory, manufacturing and other records generated by Anteris during the term of the Anteris License Agreement.

On October 16, 2023, the Company received a Section228(e) notice from Anteris. that the stockholders voted in favor of the dissolution of the Company and the adoption of a plan of Liquidation and Dissolution ("Plan of Dissolution"). (See Note 14).

Contract Liabilities

Contract liabilities related to the Company's collaboration agreements consisted of the following (in thousands):

	September 30, 2023	December 31, 2022
Current portion of contract liabilities	\$ 17	\$ 17
Contract liabilities, net of current portion	18,669	18,669
Total contract liabilities	<u>\$ 18,686</u>	<u>\$ 18,686</u>

Note 4: Share-Based Compensation

The Company has issued nonqualified stock option awards to management, other key employees, consultants, and nonemployee directors. These option awards generally vest ratably over a three-year period and the option awards expire after a term of ten years from the date of grant. As of September 30, 2023, the Company had total unrecognized stock-based compensation expense for its outstanding stock option awards of approximately \$1.8 million, which is expected to be

recognized over a weighted average period of 2.2 years. The weighted average grant date fair value of options granted during the nine months ended September 30, 2023 and 2022 was \$0.76 and \$0.68 per option, respectively. The aggregate intrinsic value of the in-the-money awards outstanding at September 30, 2023 was immaterial.

The following table summarizes the activity related to the stock option awards for the nine months ended September 30, 2023:

	Number of Shares	Weighted Average Exercise Price
Awards outstanding at December 31, 2022	8,418,571	\$ 2.17
Granted	1,176,868	0.87
Forfeited	(50,000)	1.29
Awards outstanding at September 30, 2023	<u>9,545,439</u>	<u>\$ 2.01</u>
Options exercisable at September 30, 2023	5,018,072	\$ 3.04
Weighted average remaining contractual term	6.6 Years	
Options vested and expected to vest at September 30, 2023	8,188,444	\$ 2.21
Weighted average remaining contractual term	7.5 Years	

Compensation expense related to the grants of stock options is included in research and development and general and administrative expense as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Research and development	\$ 113	\$ 109	\$ 316	\$ 289
General and administrative	320	229	859	692
Total share-based compensation expense	<u>\$ 433</u>	<u>\$ 338</u>	<u>\$ 1,175</u>	<u>\$ 981</u>

Note 5: Investments

In connection with the Reneo Pharmaceuticals, Inc. (“Reneo”) and Anteris License Agreements, the Company received equity ownership interests of less than 20% of the voting equity of the investees. Further, the Company does not have the ability to exercise significant influence over the investees. The investments are classified as long-term investments in the Company’s Condensed Consolidated Balance Sheets.

Reneo completed its initial public offering in April 2021. Prior to Reneo becoming a publicly traded company, the Company’s investment in Reneo did not have a readily determinable fair value and was measured at cost less impairment, adjusted for any changes in observable prices, under the measurement alternative. Subsequent to Reneo’s initial public offering, the Company’s investment in Reneo is considered to have a readily determinable fair value and, as such, is adjusted to its fair value each period with changes in fair value recognized as a component of net loss.

The Company’s investment in Anteris does not have a readily determinable fair value and is measured at cost less impairment, adjusted for any changes in observable prices.

The Company’s investments consist of the following:

	September 30, 2023	December 31, 2022
Equity investment with readily determinable fair value:		
Reneo common stock	\$ 4,387	\$ 1,343
Equity investment without readily determinable fair values assessed under the measurement alternative:		
Anteris preferred stock	—	4,245
Total	<u>\$ 4,387</u>	<u>\$ 5,588</u>

The Company recognized an unrealized gain on its investment in Reneo of \$0.6 million and \$3.0 million for the three and nine months ended September 30, 2023, respectively. The Company recognized an unrealized gain on its investment in Reneo of \$0.4 million and an unrealized loss of \$3.0 million for the three and nine months ended September 30, 2022,

respectively. These adjustments were recognized as a component of other income/(expense) in the Company's Condensed Consolidated Statements of Operations.

On October 16, 2023, the Company received a Section 228(e) notice from Anteris that the stockholders voted in favor of the dissolution of Anteris and the adoption of a plan of Liquidation and Dissolution ("Plan of Dissolution"). The Company determined the carrying value of this investment was not expected to be recoverable due to the Plan of Dissolution. As a result, the Company recorded a \$4.2 million impairment charge during the three and nine months ended September 30, 2023.

On October 30, 2023, the Company entered into a Common Stock Repurchase Agreement (the "Repurchase Agreement") with Reneo to purchase all of its common stock held by vTv LLC for total proceeds to vTv LLC of approximately \$4.4 million.

Note 6: Commitments and Contingencies

Legal Matters

From time to time, the Company is involved in various legal proceedings arising in the normal course of business. If a specific contingent liability is determined to be probable and can be reasonably estimated, the Company accrues and discloses the amount. The Company is not currently a party to any material legal proceedings.

Novo Nordisk

In February 2007, the Company entered into an Agreement (the "Novo License Agreement") Concerning Glucokinase Activator Project with Novo Nordisk A/S (the "Novo Nordisk") whereby the Company obtained an exclusive, worldwide, sublicensable license under certain Novo Nordisk intellectual property rights to discover, develop, manufacture, have manufactured, use and commercialize products for the prevention, treatment, control, mitigation or palliation of human or animal diseases or conditions. As part of this license grant, the Company obtained certain worldwide rights to Novo Nordisk's GKA program, including rights to preclinical and clinical compounds such as *cadisegliatin* (TTP399). This agreement was amended in May 2019 to create milestone payments applicable to certain specific and nonspecific areas of therapeutic use. Under the terms of the amended Novo License Agreement, the Company has potential developmental and regulatory milestone payments payable totaling up to \$9.0 million for approval of a product for the treatment of type 1 diabetes, \$50.5 million for approval of a product for the treatment of type 2 diabetes, or \$115.0 million for approval of a product in any other indication. The Company may also be obligated to pay an additional \$75.0 million in potential sales-based milestones, as well as royalty payments, at mid-single digit royalty rates, based on tiered sales of commercialized licensed products. During the fourth quarter of 2021, the Company made a payment of \$2.0 million related to the satisfaction of the milestone to complete the phase 2 trials for *cadisegliatin* (TTP399) under this agreement.

Note 7: Leases

In August 2019, the Company leased office space for its headquarters location under an operating lease. This lease commenced in November 2019 after the completion of certain tenant improvements made by the lessor. The lease includes an option to renew for a five-year term as well as an option to terminate after three years, neither of which have been recognized as part of its related right of use assets or lease liabilities as their election is not considered reasonably certain. In November 2022, the Company entered into a second amendment to the lease, (i) to reduce the square footage and (ii) to extend the lease term, which constituted a modification event under ASC 842 and, the lease classification for the asset remains as an operating lease. As a result of the remeasurement of the associated lease liabilities, the Company recognized additional right of use assets and corresponding lease liabilities of \$0.1 million. Further, the second amendment to the lease does not include any material residual value guarantee or restrictive covenants.

At each of September 30, 2023 and December 31, 2022, the weighted average incremental borrowing rate for the operating leases held by the Company was 9.5%. At September 30, 2023 and December 31, 2022, the weighted average remaining lease terms for the operating leases held by the Company were 2.2 years and 2.9 years, respectively.

Maturities of lease liabilities for the Company's operating leases as of September 30, 2023 were as follows (in thousands):

2023 (remaining three months)	\$	48
2024		194
2025		177
2026		—
2027		—
Thereafter		—
Total lease payments		419
Less: imputed interest		(41)
Present value of lease liabilities	\$	378

Operating lease cost and the related operating cash flows for the nine months ended September 30, 2023 and 2022 was \$0.2 million and \$0.1 million, respectively.

Note 8: Redeemable Noncontrolling Interest

The Company is subject to the Exchange Agreement with respect to the vTv Units representing the 22.1% noncontrolling interest in vTv LLC outstanding as of September 30, 2023 (see Note 9). The Exchange Agreement requires the surrender of an equal number of vTv Units and Class B common stock for (i) shares of Class A common stock on a one-for-one basis or (ii) cash (based on the fair market value of the Class A common stock as determined pursuant to the Exchange Agreement), at the Company's option (as the managing member of vTv LLC), subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications. The exchange value is determined based on a 20-day volume weighted average price of the Class A common stock as defined in the Exchange Agreement, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications.

The redeemable noncontrolling interest is recognized at the higher of (1) its initial fair value plus accumulated earnings/losses associated with the noncontrolling interest or (2) the redemption value as of the balance sheet date. At September 30, 2023 and December 31, 2022, the redeemable noncontrolling interest was recorded based on the redemption value as of the balance sheet date of \$10.7 million and \$16.6 million, respectively.

Changes in the Company's ownership interest in vTv LLC while the Company retains its controlling interest in vTv LLC are accounted for as equity transactions, and the Company is required to adjust noncontrolling interest and equity for such changes. The following is a summary of net income attributable to vTv Therapeutics Inc. and transfers to noncontrolling interest:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	2023	2022
Net loss attributable to vTv Therapeutics Inc. common shareholders	\$ (6,654)	\$ (4,261)	\$ (16,772)	\$ (14,419)
Decrease/(Increase) in vTv Therapeutics Inc. accumulated deficit for purchase of vTv LLC Units as a result of common stock issuances	1,592	(1,174)	4,212	(103)
Change from net loss attributable to vTv Therapeutics Inc. common shareholders and transfers to noncontrolling interest	<u>\$ (5,062)</u>	<u>\$ (5,435)</u>	<u>\$ (12,560)</u>	<u>\$ (14,522)</u>

Note 9: Stockholders' Deficit

On May 4, 2021, the Company filed an amendment to its Amended and Restated Certificate of Incorporation (the "Charter Amendment") to increase the number of shares of Class A common stock that the Company is authorized to issue from 100,000,000 shares of Class A common stock to 200,000,000 shares of Class A common stock, representing an increase of 100,000,000 shares of authorized Class A common stock, with a corresponding increase in the total authorized common stock, which includes Class A common stock and Class B common stock, from 200,000,000 to 300,000,000, and a corresponding increase in the total authorized capital stock, which includes common stock and preferred stock, from 250,000,000 shares to 350,000,000 shares.

G42 Investments Transaction

On May 31, 2022, the Company and G42 Investments entered in to the G42 Purchase Agreement (see Note 3), pursuant to which the Company agreed to sell to G42 Investments 10,386,274 shares of the Company's Class A common stock at a price per share of approximately \$2.41, for an aggregate purchase price of \$25.0 million, consisting of (i) \$12.5 million in cash at the closing of the transaction and (ii) \$12.5 million in the form of a promissory note of G42 Investments to be paid at the one-year anniversary of the execution of the G42 Purchase Agreement (the "G42 Promissory Note"). On February 28, 2023, the Company and G42 Investments amended the G42 Purchase Agreement and modified the G42 Promissory Note to accelerate the payment due under the note. Pursuant to the amendment, on February 28, 2023, the Company received \$12.0 million, which reflected the original amount due under the G42 Promissory Note less a 3.75% discount, in full satisfaction of the note, resulting in a loss of \$0.3 million and was recognized as a component of other income/(expense) in the Company's Condensed Consolidated Statements of Operations.

CinPax and CinRx Transaction

On July 22, 2022 (the "Transaction Date"), the Company entered into the CinRx Purchase Agreement with CinPax, LLC ("CinPax") and CinRx Pharma, LLC ("CinRx"), pursuant to which the Company agreed to sell to CinPax 4,154,549 shares of the Company's Class A common stock at a price per share of approximately \$2.41, for an aggregate purchase price of \$10.0 million, which was paid (i) \$6.0 million in cash at the closing of the transaction and (ii) \$4.0 million in the form of a non-interest-bearing promissory note with CinPax and was paid to the Company on November 22, 2022. The CinRx Purchase Agreement provides CinPax the right to nominate a director to be approved to sit on the Company's Board of Directors and a board observer, which was subsequently approved by the Company's board.

Common stock is generally recorded at fair value at the date of issuance. In determining the fair value of the Class A common stock issued to CinPax, the Company considered the closing price of the common stock on the Transaction Date. The Company did not make an adjustment to the fair value for sale restrictions on the stock in accordance with guidance recently adopted in ASU 2022-03. See the "Recently Issued Accounting Guidance" in this quarterly report on Form 10-Q for details of the ASU. Accordingly, the Company determined that cash consideration of \$3.0 million should be recorded as fair value of the Class A common stock at the effective date, utilizing the Class A common stock closing price of \$0.72 at the effective date.

The CinRx Purchase Agreement also provides CinRx warrants to purchase up to 1,200,000 shares of common stock at an initial exercise price of approximately \$0.72 per share (the "CinRx Warrants"). The CinRx Warrants were initially measured at fair value of \$0.4 million using the Black-Scholes option model at the time of issuance and will be recorded in Warrant liability related party in the Condensed Consolidated Balance Sheets and will be subsequently remeasured at fair value through earnings on a recurring basis. (see Note 13)

The CinRx Warrants will become exercisable by CinRx only if (i) the Company receives approval from the U.S. Food and Drug Administration ("FDA Approval") to market and distribute the pharmaceutical product containing the Company's proprietary candidate, *cadisegliatin (TTP399)* (the "Product"), or (ii) the Company is acquired by a third party, sells all or substantially all of its assets related to the Product to a third party or grants a third party an exclusive license to develop, commercialize and manufacture the Product in the United States. If neither of these events happen within five years of the date of the issuance of the CinRx Warrants, the CinRx Warrants will expire and not be exercisable by CinRx. The exercise price of the CinRx Warrants and the number of shares issuable upon exercise of the CinRx Warrants are subject to adjustments in accordance with the terms of the CinRx Warrants.

Additionally, in conjunction with the CinRx Purchase Agreement the Company and CinRx entered into a Master Service Agreement ("CinRx MSA") whereby CinRx provides the Company with consulting, preclinical and clinical trial services, as enumerated in project proposals negotiated between the Company and CinRx from time to time. (see Note 10)

The Company did not identify any other promises in the CinRx Purchase Agreement (aside from the issuance of common shares and the CinRx Warrants) and determined since there is no value ascribed to the CinRx MSA, the right to appoint a member and observer to the board of directors, that the remaining unallocated amount meets the definition of contributed equity and represents the amount in excess of par.

ATM Offering

In April 2020, the Company entered into the Sales Agreement with Cantor as the sales agent, pursuant to which the Company may offer and sell, from time to time, through Cantor, shares of its Class A common stock, par value \$0.01 per share, having an aggregate offering price of up to \$13.0 million by any method deemed to be an "at the market offering" as

defined in Rule 415(a)(4) under the Securities Act (the “ATM Offering”). The shares are offered and sold pursuant to the Company’s shelf registration statement on Form S-3.

On January 14, 2021 and June 25, 2021, the Company filed a prospectus supplement in connection with the ATM Offering to increase the size of the at-the-market offering pursuant to which the Company may offer and sell, from time to time, through or to Cantor, as sales agent or principal, shares of the Company’s Class A common stock, by an aggregate offering price of \$5.5 million and \$50.0 million, respectively.

During the three and nine months ended September 30, 2023 and 2022, the Company did not sell any shares under the ATM Offering.

Lincoln Park Capital Transaction

On November 24, 2020, the Company entered into the LPC Purchase Agreement and a registration rights agreement (the “Registration Rights Agreement”), pursuant to which the Company has the right to sell to Lincoln Park shares of the Company’s Class A common stock having an aggregate value of up to \$47.0 million, subject to certain limitations and conditions set forth in the LPC Purchase Agreement. The Company will control the timing and amount of any sales of shares to Lincoln Park pursuant to the LPC Purchase Agreement. During the three and nine months ended September 30, 2023 and 2022, the Company did not sell any shares under the LPC Purchase Agreement.

Note 10: Related-Party Transactions

MacAndrews & Forbes Incorporated

MacAndrews directly or indirectly controls 23,084,267 shares of Class B common stock. Further, as of September 30, 2023, MacAndrews directly or indirectly holds 36,519,212 shares of the Company’s Class A common stock. As a result, MacAndrews’ holdings represent approximately 57.0% of the combined voting power of the Company’s outstanding common stock.

The Company has entered into several agreements with MacAndrews or its affiliates as further detailed below:

Letter Agreements

The Company had previously entered into the Letter Agreements with MacAndrews. Under the terms of the Letter Agreements, during the one year commitment period beginning on the date of each Letter Agreement, the Company had the right to sell to MacAndrews shares of its Class A common stock at a specified price per share, and MacAndrews had the right (exercisable up to three times) to require the Company to sell to it shares of Class A common stock at the same price. The commitment period of each of the Letter Agreements has now expired. In addition, in connection with and as a commitment fee for the entrance into certain of these Letter Agreements, the Company also issued MacAndrews warrants (the “Letter Agreement Warrants”) to purchase additional shares of the Company’s Class A common stock.

The Letter Agreement Warrants have been recorded as warrant liability, related party within the Company’s Condensed Consolidated Balance Sheets based on their fair value. The issuance of the Letter Agreement Warrants was considered to be a cost of equity recorded as a reduction to additional paid-in capital.

Exchange Agreement

Pursuant to the terms of the Exchange Agreement, but subject to the Amended and Restated LLC Agreement of vTv Therapeutics LLC, the vTv Units (along with a corresponding number of shares of the Class B common stock) are exchangeable for (i) shares of the Company’s Class A common stock on a one-for-one basis or (ii) cash (based on the fair market value of the Company’s Class A common stock as determined pursuant to the Exchange Agreement), at the Company’s option (as the managing member of vTv Therapeutics LLC), subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications. Any decision to require an exchange for cash rather than shares of Class A common stock will ultimately be determined by the entire Board of Directors. As of September 30, 2023, MacAndrews had not exchanged any shares under the provisions of the Exchange Agreement.

Tax Receivable Agreement

The Company and MacAndrews are party to a tax receivable agreement (the “Tax Receivable Agreement”), which provides for the payment by the Company to M&F TTP Holdings Two LLC (“M&F”), as successor in interest to vTv Therapeutics Holdings, LLC (“vTv Therapeutics Holdings”), and M&F TTP Holdings LLC (or certain of its transferees or other assignees) of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax or franchise tax that

the Company actually realizes (or, in some circumstances, the Company is deemed to realize) as a result of (a) the exchange of Class B common stock, together with the corresponding number of vTv Units, for shares of the Company's Class A common stock (or for cash), (b) tax benefits related to imputed interest deemed to be paid by the Company as a result of the Tax Receivable Agreement and (c) certain tax benefits attributable to payments under the Tax Receivable Agreement.

As no shares have been exchanged by MacAndrews pursuant to the Exchange Agreement (discussed above), the Company has not recognized any liability, nor has it made any payments pursuant to the Tax Receivable Agreement as of September 30, 2023.

Investor Rights Agreement

The Company is party to an investor rights agreement with M&F, as successor in interest to vTv Therapeutics Holdings (the "Investor Rights Agreement"). The Investor Rights Agreement provides M&F with certain demand, shelf, and piggyback registration rights with respect to its shares of Class A common stock and also provides M&F with certain governance rights, depending on the size of its holdings of Class A common stock. Under the Investor Rights Agreement, M&F was initially entitled to nominate a majority of the members of the Board of Directors and designate the members of the committees of the Board of Directors.

G42 Investments

On May 31, 2022, the Company entered into a common stock purchase agreement with G42 Investments pursuant to which the Company sold to G42 Investments 10,386,274 shares of the Company's Class A common stock at a price per share of approximately \$2.41, for an aggregate purchase price of \$25.0 million, which was paid (i) \$12.5 million in cash at the closing and (ii) \$12.5 million in the form of a promissory note of G42 Investments to be paid on May 31, 2023 (the "G42 Promissory Note"). As part of the G42 Purchase Agreement, G42 Investments put forward a director as appointee and the Company's board of directors appointed the new director to the Company's board on July 11, 2022. On February 28, 2023, the Company and G42 Investments entered into an amendment of the common stock purchase agreement pursuant to which G42 Investments agreed to accelerate payment of the amount due under the G42 Promissory Note. On February 28, 2023, the Company received \$12.0 million from G42 Investments, which represented a 3.75% discount to the full amount due under the G42 Promissory Note, in full and final satisfaction of the promissory note, resulting in a loss of \$0.3 million and was recognized as a component of other income/(expense) in the Company's Condensed Consolidated Statements of Operations.

CinRx Pharma, LLC

Master Services Agreement

On July 22, 2022, the Company entered into the CinRx MSA with CinRx. Under the CinRx MSA, CinRx provides the Company with consulting and clinical trial services, as enumerated in project proposals negotiated between the Company and CinRx from time to time. As of October 10, 2022, the Company agreed to pay CinRx fees of up to \$0.2 million per month until approximately December 2024 in respect of ongoing agreed project proposals under the CinRx MSA, plus out-of-pocket expenses incurred by CinRx on the Company's behalf. Dr. Jonathan Isaacsohn, who was appointed as chair of the Company's board of directors on August 9, 2022, is the President and Chief Executive Officer of CinRx. CinPax, a subsidiary of CinRx, currently holds 4,154,549 shares of the Company's Class A common stock.

Note 11: Income Taxes

The Company is subject to U.S. federal income taxes as well as state taxes. The Company did not record an income tax provision for the three and nine months ended September 30, 2023. The Company's income tax provision for the nine months ended September 30, 2022 was \$0.2 million representing foreign withholding taxes incurred in connection with payments received under license agreements with foreign entities. The Company did not record an income tax provision for the three months ended September 30, 2022.

Management has evaluated the positive and negative evidence surrounding the realization of its deferred tax assets, including the Company's history of losses, and under the applicable accounting standards determined that it is more likely than not that the deferred tax assets will not be realized. The difference between the effective tax rate of the Company and the U.S. statutory tax rate of 21% on September 30, 2023 is due to the valuation allowance against the Company's expected net operating losses.

As discussed in Note 10, the Company is party to a tax receivable agreement with a related party which provides for the payment by the Company to M&F (or certain of its transferees or other assignees) of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax or franchise tax that the Company actually realizes (or, in some circumstances, the Company is deemed to realize) as a result of certain transactions. As no transactions have occurred which

would trigger a liability under this agreement, the Company has not recognized any liability related to this agreement as of September 30, 2023.

Note 12: Net Loss per Share

Basic loss per share is computed by dividing net loss attributable to vTv Therapeutics Inc. by the weighted average number of shares of Class A common stock outstanding during the period. Diluted loss per share is computed giving effect to all potentially dilutive shares. Diluted loss per share for all periods presented is the same as basic loss per share as the inclusion of potentially issuable shares would be antidilutive.

A reconciliation of the numerator and denominator used in the calculation of basic and diluted net loss per share of Class A common stock is as follows (amounts in thousands, except per share amounts):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	2023	2022
Numerator:				
Net loss	\$ (8,540)	\$ (5,468)	\$ (21,525)	\$ (18,983)
Less: Net loss attributable to noncontrolling interests	(1,886)	(1,207)	(4,753)	(4,564)
Net loss attributable to common shareholders of vTv Therapeutics Inc., basic and diluted	(6,654)	(4,261)	(16,772)	(14,419)
Denominator:				
Weighted average vTv Therapeutics Inc. Class A common stock, basic and diluted	81,483,600	80,490,121	81,483,600	72,649,531
Net loss per share of vTv Therapeutics Inc. Class A common stock, basic and diluted	\$ (0.08)	\$ (0.05)	\$ (0.21)	\$ (0.20)

Potentially dilutive securities not included in the calculation of dilutive net loss per share are as follows:

	September 30, 2023	September 30, 2022
Class B common stock ⁽¹⁾	23,093,860	23,093,860
Common stock options granted under the Plan	9,545,439	7,718,944
Common stock warrants	3,214,503	3,214,503
Total	35,853,802	34,027,307

- ⁽¹⁾ Shares of Class B common stock do not share in the Company's earnings and are not participating securities. Accordingly, separate presentation of loss per share of Class B common stock under the two-class method has not been provided. Each share of Class B common stock (together with a corresponding vTv Unit) is exchangeable for one share of Class A common stock.

Note 13: Fair Value of Financial Instruments

The carrying amount of certain of the Company's financial instruments, including cash and cash equivalents, net accounts receivable, note receivable, accounts payable and other accrued liabilities approximate fair value due to their short-term nature.

The Company measures the value of its equity investments without readily determinable fair values at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment. During the year ended December 31, 2021, Reneo completed its initial public offering. As a result, the fair value of the Company's investment in Reneo's common stock now has a readily determinable market value and is no longer eligible for the practical expedient for investments without readily determinable fair market values.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The Company evaluates its financial assets and liabilities subject to fair value measurements on a recurring basis to determine the appropriate level in which to classify them for each reporting period. This determination requires significant

judgments. The Company determined that the G42 Promissory Note receivable was level 2 and the fair value measurement was based on the market yield curves. The following table summarizes the conclusions reached regarding fair value measurements as of September 30, 2023 and December 31, 2022 (in thousands):

	Balance at September 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Equity securities with readily determinable fair value	\$ 4,387	\$ 4,387	\$ —	\$ —
Total	\$ 4,387	\$ 4,387	\$ —	\$ —
Liabilities:				
Warrant liability, related party ⁽¹⁾	\$ 278	\$ —	\$ —	\$ 278
Total	\$ 278	\$ —	\$ —	\$ 278
Assets:				
Equity securities with readily determinable fair value	\$ 1,343	\$ 1,343	\$ —	\$ —
Total	\$ 1,343	\$ 1,343	\$ —	\$ —
Liabilities:				
Warrant liability, related party ⁽¹⁾	\$ 684	\$ —	\$ —	\$ 684
Total	\$ 684	\$ —	\$ —	\$ 684

⁽¹⁾ Fair value determined using the Black-Scholes option pricing model. Expected volatility is based on the historical volatility of the Company's common stock over the most recent period. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of valuation.

	Changes in Level 3 instruments for the three months ended September 30,				
	Balance at January 1	Net Change in fair value included in earnings	Purchases / Issuance	Sales / Repurchases	Balance at September 30,
2023					
Warrant liability, related party	\$ 684	\$ (406)	\$ —	\$ —	\$ 278
Total	\$ 684	\$ (406)	\$ —	\$ —	\$ 278
2022					
Warrant liability, related party	\$ 1,262	\$ (221)	\$ 368	\$ —	\$ 1,409
Total	\$ 1,262	\$ (221)	\$ 368	\$ —	\$ 1,409

There were no transfers into or out of level 3 instruments and/or between level 1 and level 2 instruments during the three and nine months ended September 30, 2023. Gains and losses recognized due to the change in fair value of the warrant liability, related party are recognized as a component of other income – related party in the Company's Condensed Consolidated Statements of Operations.

The fair value of the Letter Agreement Warrants was determined using the Black-Scholes option pricing model or option pricing models based on the Company's current capitalization. Expected volatility is based on the historical volatility

of the Company’s common stock over the most recent period. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of valuation. Significant inputs utilized in the valuation of the Letter Agreement Warrants as of September 30, 2023 and December 31, 2022 were:

	September 30, 2023		December 31, 2022	
	Range	Weighted Average	Range	Weighted Average
Expected volatility	68.37% - 77.01%	76.06%	76.94% - 85.88%	82.17%
Risk-free interest rate	4.78% - 5.38%	4.88%	4.11% - 4.43%	4.19%

The fair value of the CinRx Warrants was determined using the Black-Scholes option pricing model. Expected volatility is based on the historical volatility of the Company’s common stock over the most recent period. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of valuation. Significant inputs utilized in the valuation of the CinRx Warrants as of September 30, 2023 were:

Expected volatility	82.38 %
Expected life of options in years	3.75
Risk-free interest rate	4.73 %
Expected dividend yield	— %

The weighted average expected volatility and risk-free interest rate was based on the relative fair values of the warrants.

Changes in the unobservable inputs noted above would impact the amount of the liability for the Letter Agreement Warrants and CinRx Warrants. Increases (decreases) in the estimates of the Company’s annual volatility would increase (decrease) the liability and an increase (decrease) in the annual risk-free rate would increase (decrease) the liability.

Note 14: Subsequent Events

On October 16, 2023, the Company received a Section 228(e) notice from Anteris that the stockholders voted in favor of the dissolution of the Company and the adoption of a plan of Liquidation and Dissolution (“Plan of Dissolution”) (See Note 5).

On October 30, 2023, vTv LLC, entered into a Common Stock Repurchase Agreement (the “Repurchase Agreement”) with Reneo pursuant to which Reneo agreed to purchase all shares of common stock of Reneo that had been owned by vTv LLC. Pursuant to the Repurchase Agreement, Reneo agreed to pay vTv LLC gross proceeds of approximately \$4.4 million, which was received by vTv LLC on October 30, 2023. vTv LLC had acquired the Reneo stock in connection with the December 21, 2017 License Agreement between vTv LLC and Reneo, which remains in effect.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Note Regarding Forward Looking Statements

In addition to historical financial information, this Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the federal securities laws regarding, among other things, our intentions, plans, estimates, assumptions, predictions and beliefs. Although we believe that these forward-looking statements are based upon reasonable assumptions that we have made in light of our experience in the industry, as well as our perceptions of historical trends, current conditions, expected future developments and other factors that we believe are appropriate under the circumstances, our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this report under “Part II, Other Information—Item 1A, Risk Factors” and under the heading “Risk Factors” under Item 1A of Part I in our Annual Report on Form 10-K. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies and operations, financing plans, potential growth opportunities, potential market opportunities, potential results of our drug development efforts or trials, and the effects of competition. Forward-looking statements include all statements that are not historical facts and can be identified by terms such as “anticipates,” “believes,” “could,” “seeks,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “projects,” “should,” “will,” “would” or similar expressions and the negatives of those terms. Given the numerous uncertainties and factors to our operations and business environment, all of which are difficult to predict and many of which are beyond our control, you should not place undue reliance on these forward-looking statements and understand that these statements are not guarantees of performance or results. Also, forward-looking statements represent our management’s plans, estimates, assumptions and beliefs only as of the date of this report. Except as required by law, we assume no obligation to update these forward-looking statements publicly or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

Company Overview

We are a clinical stage pharmaceutical company focused on treating metabolic and inflammatory diseases to minimize their long-term complications and improve the lives of patients. We have an innovative pipeline of first-in-class small molecule clinical and preclinical drug candidates. Our lead program is *cadisegliatin* (TTP399), an orally administered, small molecule, liver-selective glucokinase activator (“GKA”) as an adjunctive therapy to insulin for the treatment of type 1 diabetes (“T1D”).

Recent Developments

On September 6, 2023, the Board approved, and recommended that the stockholders of the Company entitled to vote thereon, approve, via written consent, the Amendment to the Certificate of Incorporation to effect a reverse stock split of the issued and outstanding Class A common stock and Class B common stock, by a ratio of any whole number in the range of 1-for-10 to 1-for-40 (the “Reverse Stock Split”), with such ratio to be determined at the discretion of the Board and with such action to be effected at such time and date, if at all, as determined by the Board on or prior to December 31, 2023. On September 13, 2023, the holders of a majority of the voting power of the Company’s issued and outstanding capital stock entitled to vote thereon (the “Consenting Stockholders”) approved the Reverse Stock Split by means of a written consent. The same ratio will be used to effect a reverse stock split of both the Class A common stock and the Class B common stock. The Reverse Stock Split will not change the number of authorized shares of Class A common stock or Class B common stock.

The Board has not yet determined the date on which the reverse stock split will occur or the ratio.

Our Product Pipeline

The following table summarizes our drug candidates, their partnership status and their respective stages of development:



PRODUCT	PRE-CLINICAL	PHASE I	PHASE II	PHASE III	PARTNERS + REGIONS
Cadisegliatin (TTP399) GK Activator	Type 1 Diabetes				 Certain countries in the Middle East, Africa, and Central Asia
	Type 2 Diabetes				
TTP273 Oral GLP-1R Agonist	Cystic Fibrosis-Related Diabetes				 Asia (excl. Japan)
	Type 2 Diabetes				
HPP737 PDE4 Inhibitor	SAD/MAD Completed				 Asia (excl. Japan)
	Psoriasis / COPD / Atopic Dermatitis				
Mavodelpar (HPP593) PPAR-δ Agonist	Primary Mitochondrial Myopathies (PMM)				 Worldwide
	Long-chain fatty acid oxidation disorders (LC-FAOD)				
Azeliragon RAGE Antagonist	Glioblastoma / Other Cancers and Cancer Treatment-Related Conditions				 Worldwide
HPP3033 Nrf2/Bach1 Modulator	Undisclosed				
TTP-RA RAGE Antagonist	Type 1 Diabetes Prevention				

Our Type 1 Diabetes Program – Cadisegliatin (TTP399)

The Company has alignment with the FDA on trial designs that will support an efficient regulatory pathway to support registration of *cadisegliatin* (TTP399) as an adjunctive therapy to insulin for the treatment of type 1 diabetes consistent with the breakthrough therapy designation granted by the FDA and expects to initiate studies as soon as possible. The FDA and the Company have agreed on the primary endpoint for the studies as the reduction in the number of hypoglycemic events between placebo and *cadisegliatin* (TTP399) treated groups.

In October 2021, we announced positive results of a mechanistic study of *cadisegliatin* (TTP399) in patients with T1D. The study demonstrated that patients with T1D taking *cadisegliatin* (TTP399) experienced no increase in ketone levels relative to placebo during a period of acute insulin withdrawal, indicating no increased risk of ketoacidosis. Consistent with previous clinical studies, improved fasting plasma glucose levels and fewer hypoglycemic events were observed in the *cadisegliatin* (TTP399) treated group during the week of treatment prior to the insulin withdrawal test. The results of the mechanistic study provided additional evidence to support the idea that treatment with *cadisegliatin* (TTP399) will not increase the risk of diabetic ketoacidosis (“DKA”) in patients with T1D. The data demonstrate that in contrast to agents such as SGLT2 inhibitors and GLP-1RAs, *cadisegliatin* (TTP399) does not increase the risk of ketoacidosis when used as an adjunctive therapy to insulin in individuals with T1D. Moreover, these findings support prior studies that demonstrate that *cadisegliatin* (TTP399) improves glucose control and reduces hypoglycemia and suggests a protective effect of *cadisegliatin* (TTP399) against acidosis in people with T1D. Full study results were published in the *Diabetes Obesity and Metabolism* journal in conjunction with the 82nd American Diabetes Association Scientific Sessions on June 6, 2022.

In April 2021, we announced that the FDA granted Breakthrough Therapy Designation (“BTD) for *cadisegliatin* (TTP399) as an adjunctive therapy to insulin for the treatment of T1D. This designation provides a sponsor with added support and the potential to expedite development and review timelines for a promising new investigational medicine.

Holding Company Structure

vTv Therapeutics Inc. is a holding company, and its principal asset is a controlling equity interest in vTv Therapeutics LLC (“vTv LLC”), the principal operating subsidiary. We have determined that vTv LLC is a variable-interest entity (“VIE”) for accounting purposes and that vTv Therapeutics Inc. is the primary beneficiary of vTv LLC because (through its managing

member interest in vTv LLC and the fact that the senior management of vTv Therapeutics Inc. is also the senior management of vTv LLC) it has the power to direct all of the activities of vTv LLC, which include those that most significantly impact vTv LLC's economic performance. vTv Therapeutics Inc. has therefore consolidated vTv LLC's results under the VIE accounting model in its consolidated financial statements.

Financial Overview

Revenue

To date, we have not generated any revenue from drug sales. Our revenue has been primarily derived from milestone payments, up-front proceeds and research fees under collaboration and license agreements.

In the future, we may generate revenue from a combination of product sales, license fees, milestone payments and royalties from the sales of products developed under licenses of our intellectual property. We expect that any revenue we generate will fluctuate from quarter to quarter as a result of the timing and amount of license fees, milestone and other payments, and the amount and timing of payments that we receive upon the sale of our products, to the extent any are successfully commercialized. If we fail to complete the development of our drug candidates in a timely manner or obtain regulatory approval for them, our ability to generate future revenue and our results of operations and financial position will be materially adversely affected.

Research and Development Expenses

Since our inception, we have focused our resources on our research and development activities, including conducting preclinical studies and clinical trials, manufacturing development efforts and activities related to regulatory filings for our drug candidates. We recognize research and development expenses as they are incurred. Our direct research and development expenses consist primarily of external costs such as fees paid to investigators, consultants, central laboratories and clinical research organizations in connection with our clinical trials, and costs related to acquiring and manufacturing clinical trial materials. Our indirect research and development costs consist primarily of cash and share-based compensation costs, the cost of employee benefits and related overhead expenses for personnel in research and development functions. Since we typically use our employee and infrastructure resources across multiple research and development programs such costs are not allocated to the individual projects.

From our inception, including our predecessor companies, through September 30, 2023, we have incurred approximately \$623.9 million in research and development expenses.

Our research and development expenses by project for the three and nine months ended September 30, 2023 and 2022 were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Direct research and development expense:				
<i>Cadisegliatin (TTP399)</i>	\$ 1,854	\$ 2,309	\$ 8,943	\$ 6,438
Other projects*	163	173	475	417
Indirect research and development expense	807	573	2,039	1,538
Total research and development expense	<u>\$ 2,824</u>	<u>\$ 3,055</u>	<u>\$ 11,457</u>	<u>\$ 8,393</u>

* Includes HPP737 and Azeliragon

We plan to continue to incur significant research and development expenses for the foreseeable future as we continue the development of *cadisegliatin (TTP399)* and further advance the development of our other drug candidates, subject to the availability of additional funding.

The successful development of our clinical and preclinical drug candidates is highly uncertain. At this time, we cannot reasonably estimate the nature, timing or costs of the efforts that will be necessary to complete the remainder of the development of any of our clinical or preclinical drug candidates or the period, if any, in which material net cash inflows from these drug candidates may commence. This is due to the numerous risks and uncertainties associated with the development of our drug candidates, including:

- the uncertainty of the scope, rate of progress and expense of our ongoing, as well as any additional, clinical trials and other research and development activities;

- the potential benefits of our candidates over other therapies;
- our ability to market, commercialize and achieve market acceptance for any of our drug candidates that we are developing or may develop in the future;
- future clinical trial results;
- our ability to enroll patients in our clinical trials;
- the timing and receipt of any regulatory approvals
- our ability to secure sufficient capital and cash resources, including access to available debt and equity financing and revenues from operations, to satisfy all of our short-term and longer-term cash requirements and other cash needs, at the times and in the amounts needed;
- legislation and regulatory actions and changes in laws or regulations; and
- the filing, prosecuting, defending and enforcing of patent claims and other intellectual property rights, and the expense of doing so.

A change in the outcome of any of these variables with respect to the development of a drug candidate could mean a significant change in the costs and timing associated with the development of that drug candidate. For example, if the FDA or another regulatory authority were to require us to conduct clinical trials beyond those that we currently anticipate will be required for the completion of clinical development of a drug candidate, or if we experience significant delays in enrollment in any of our clinical trials, we could be required to expend significant additional financial resources and time with respect to the development of that drug candidate.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries, benefits and related costs for employees in executive, finance, corporate development, human resources and administrative support functions. Other significant general and administrative expenses include accounting and legal services, expenses associated with obtaining and maintaining patents, cost of various consultants, occupancy costs and information systems.

Interest Income

Interest income represents noncash interest income related to the imputed interest from the G42 Promissory Note receivable, using the effective interest method and cash interest income represents dividends and interest from our money market account, all of which are recognized in our Condensed Consolidated Statement of Operations.

Interest Expense

The Company's interest expense is immaterial.

Other (Expense) Income, Net

Other income/expense primarily consists of unrealized gains or losses attributable to the changes in fair value of the equity investment held, the recognition of changes in fair value of the warrants to purchase shares of our Class A common stock held by related parties, the loss from the G42 Promissory Note early redemption on February 28, 2023 and the impairment charge from Anteris Bio, Inc. ("Anteris") liquidation and dissolution.

Results of Operations

Comparison of the three months ended September 30, 2023 and 2022

The following table sets forth certain information concerning our results of operations for the periods shown:

(dollars in thousands) Statement of operations data:	Three Months Ended September 30,		
	2023	2022	Change
Revenue	\$ —	\$ —	\$ —
Operating expenses:			
Research and development	2,824	3,055	(231)
General and administrative	2,544	2,634	(90)
Total operating expenses	5,368	5,689	(321)
Operating loss	(5,368)	(5,689)	321
Interest income	131	150	(19)
Interest expense	(4)	(8)	4
Other (expense) income, net	(3,299)	79	(3,378)
Loss before income taxes and noncontrolling interest	(8,540)	(5,468)	(3,072)
Income tax provision	—	—	—
Net loss before noncontrolling interest	(8,540)	(5,468)	(3,072)
Less: net loss attributable to noncontrolling interest	(1,886)	(1,207)	(679)
Net loss attributable to vTv Therapeutics Inc.	\$ (6,654)	\$ (4,261)	\$ (2,393)

Revenue

There was no revenue for the three months ended September 30, 2023 and September 30, 2022.

Research and Development Expenses

Research and development expenses were \$2.8 million and \$3.1 million for the three months ended September 30, 2023 and 2022, respectively. The decrease in research and development expenses during this period of \$0.2 million, or 7.6%, was primarily driven by i) lower spending on *cadisegliatin* (TTP399) of \$0.4 million, due to decreases in drug product related costs as well as lower spending on trial preparation costs, offset by ii) an increase in indirect costs and other projects of \$0.2 million.

General and Administrative Expenses

General and administrative expenses were \$2.5 million and \$2.6 million for the three months ended September 30, 2023 and 2022, respectively. The decrease in general and administrative expenses during this period of \$0.1 million, or 3.4%, was primarily driven by i) decreases of \$0.4 million in legal expense, ii) decreases of \$0.3 million in other general and administrative costs, partially offset by iii) increases of \$0.5 million in payroll costs and iv) increases of \$0.1 million in share-based expense.

Interest Income

Interest income for the three months ended September 30, 2023 of \$0.1 million is related to dividend income from our money market account. Interest income for the three months ended September 30, 2022 of \$0.2 million is related to imputed interest on the promissory notes.

Interest Expense

Interest expense for the three months ended September 30, 2023 and 2022 was insignificant.

Other (Expense) Income, Net

Other expense was \$3.3 million for the three months ended September 30, 2023 and was driven by the recording of an impairment charge on a cost-method investment of \$4.2 million and an unrealized gain related to our investment in Reneo, as well as gains related to the change in the fair value of the outstanding warrants to purchase shares of our own stock issued to related parties ("Related Party Warrants"). Other income was \$0.1 million for the three months ended September 30, 2022.

and was driven by an unrealized gain related to our investment in Reneo as well as the losses related to the change in the fair value of the outstanding warrants to purchase shares of our own stock issued to related parties.

Comparison of the nine months ended September 30, 2023 and 2022

The following table sets forth certain information concerning our results of operations for the periods shown:

(dollars in thousands) Statement of operations data:	Nine Months Ended September 30,		
	2023	2022	Change
Revenue	\$ —	\$ 2,009	\$ (2,009)
Operating expenses:			
Research and development	11,457	8,393	3,064
General and administrative	9,338	9,813	(475)
Total operating expenses	20,795	18,206	2,589
Operating loss	(20,795)	(16,197)	(4,598)
Interest income	384	200	184
Interest expense	(6)	(9)	3
Other expense, net	(1,108)	(2,777)	1,669
Loss before income taxes and noncontrolling interest	(21,525)	(18,783)	(2,742)
Income tax provision	—	200	(200)
Net loss before noncontrolling interest	(21,525)	(18,983)	(2,542)
Less: net loss attributable to noncontrolling interest	(4,753)	(4,564)	(189)
Net loss attributable to vTv Therapeutics Inc.	\$ (16,772)	\$ (14,419)	\$ (2,353)

Revenue

There was no revenue for the nine months ended September 30, 2023. Revenue for the nine months ended September 30, 2022 relates to the increase in the transaction price for the license performance obligations under the amended license agreement with Huadong due to the satisfaction of a development milestone.

Research and Development Expenses

Research and development expenses were \$11.5 million and \$8.4 million for the nine months ended September 30, 2023 and 2022, respectively. The increase in research and development expenses during the period of \$3.1 million, or 36.5%, was primarily driven by i) higher spending on *cadisegliatin* (TTP399) of \$2.5 million due to increases in drug product related costs as well as higher spending on trial preparation costs, and ii) an increase of \$0.6 million in indirect costs and other projects.

General and Administrative Expenses

General and administrative expenses were \$9.3 million and \$9.8 million for the nine months ended September 30, 2023 and 2022, respectively. The decrease of \$0.5 million has been primarily driven by i) decreases of \$2.8 million in legal expense, ii) decreases of \$0.8 million in severance costs, partially offset by iii) increases of \$1.7 million in payroll costs, iv) increases of \$1.2 million in other general and administrative costs, and v) increases of \$0.2 million share-based expense.

Interest income

Interest income for the nine months ended September 30, 2023 of \$0.4 million is related to imputed interest on the G42 Promissory Note and dividend income from our money market account. Interest income for the nine months ended September 30, 2022 of \$0.2 million is related to imputed interest on the promissory note.

Interest Expense

Interest expense for the nine months ended September 30, 2023 and 2022 was insignificant.

Other (Expense), Net

Other expense was \$1.1 million for the nine months ended September 30, 2023, and is driven by the recording of a impairment charge on a cost-method investment of \$4.2 million offset by an unrealized gain recognized related to the Company's investment in Reneo as well as gains related to the change in the fair value of the outstanding warrants to

purchase shares of our own stock held by related parties. Other expense was \$2.8 million for the nine months ended September 30, 2022, and is driven by an unrealized loss recognized related to the Company's investment in Reneo as well as gains related to the change in the fair value of the outstanding warrants to purchase shares of our own stock issued to related parties.

Liquidity and Capital Resources

Liquidity and Going Concern

As of September 30, 2023, we had an accumulated deficit of \$281.2 million. Since our inception, we have experienced a history of negative cash flows from operating activities. We anticipate that we will continue to incur losses for the foreseeable future as we continue our clinical trials. Further, we expect that we will need additional capital to continue to fund our operations. As of September 30, 2023, we had cash and cash equivalents of \$8.2 million. The Company received proceeds of \$4.4 million from the sale of Reneo Pharmaceuticals, Inc stock on October 30, 2023 (see Note 14).

Based on our current operating plan, we may rely on the remaining availability of \$37.3 million under our Controlled Equity OfferingSM Sales Agreement (the "Sales Agreement") with Cantor Fitzgerald & Co. ("Cantor Fitzgerald") pursuant to which we could offer and sell, from time to time, shares of our Class A common stock (the "ATM Offering") and our ability to sell approximately 9.4 million shares of Class A common stock to Lincoln Park Capital Fund, LLC ("Lincoln Park") pursuant and subject to the limitations of the purchase agreement (the "LPC Purchase Agreement"). However, the ability to use these sources of capital is dependent on a number of factors, including the prevailing market price of and the volume of trading in our Class A common stock.

In addition to available cash and cash equivalents and available funds discussed above, we are seeking possible additional partnering opportunities for our GKA, GLP-1r and other drug candidates, which we believe may provide additional cash for use in our operations and the continuation of the clinical trials for our drug candidates. We are evaluating several financing strategies to fund our planned and ongoing clinical trials, including direct equity investments and future public offerings of our common stock. The timing and availability of such financing are not yet known. We are currently in active discussions with respect to financing, partnering and licensing transactions for the future development of *cadiseqliatin (TTP399)*, but we may not be successful in completing such transactions. These factors raise substantial doubt about our ability to continue as a going concern.

ATM Offering

We have entered into the Sales Agreement with Cantor Fitzgerald pursuant to which we may offer and sell, from time to time, through or to Cantor Fitzgerald, as sales agent or principal, shares of our Class A common stock having an aggregate offering price of up to \$68.5 million. We are not obligated to sell any shares under the Sales Agreement. Under the terms of the Sales Agreement, we will pay Cantor Fitzgerald a commission of up to 3% of the aggregate proceeds from the sale of shares and reimburse certain legal fees or other disbursements. As of September 30, 2023, we have sold \$31.2 million worth of Class A common stock under the ATM Offering for net proceeds of \$30.3 million, leaving \$37.3 million available to be sold.

Lincoln Park Purchase Agreement

We have entered into the LPC Purchase Agreement, pursuant to which we have the right to sell to Lincoln Park shares of the Company's Class A common stock having an aggregate value of up to \$47.0 million. As of September 30, 2023, we have issued 5,331,306 of these shares for gross proceeds of approximately \$11.1 million, leaving \$35.9 million available to be sold.

Over the 36-month term of the LPC Purchase Agreement, we have the right, but not the obligation, from time to time, in our sole discretion, to direct Lincoln Park to purchase up to 250,000 shares per day (the "Regular Purchase Share Limit") of the Class A common stock (each such purchase, a "Regular Purchase"). The Regular Purchase Share Limit will increase to 275,000 shares per day if the closing price of the Class A common stock on the applicable purchase date is not below \$4.00 per share and will further increase to 300,000 shares per day if the closing price of the Class A common stock on the applicable purchase date is not below \$5.00 per share. In any case, Lincoln Park's maximum obligation under any single Regular Purchase will not exceed \$2,000,000. The purchase price for shares of Class A common stock to be purchased by Lincoln Park under a Regular Purchase will be equal to the lower of (in each case, subject to the adjustments described in the LPC Purchase Agreement): (i) the lowest sale price for the Class A common stock on the applicable purchase date and (ii) the arithmetic average of the three lowest closing sales prices for the Class A common stock during the 10 consecutive trading days prior to the purchase date.

If we direct Lincoln Park to purchase the maximum number of shares of Class A common stock that we may sell in a Regular Purchase, then in addition to such Regular Purchase, and subject to certain conditions and limitations in the LPC Purchase Agreement, we may direct Lincoln Park to make an “accelerated purchase” and an “additional accelerated purchase”, each of an additional number of shares of Class A common stock which may not exceed the lesser of: (i) 300% of the number of shares purchased pursuant to the corresponding Regular Purchase and (ii) 30% of the total number of shares of the common stock traded during a specified period on the applicable purchase date as set forth in the LPC Purchase Agreement. The purchase price for such shares will be the lesser of (i) 97% of the volume weighted average price of the Class A common stock over a certain portion of the date of sale as set forth in the LPC Purchase Agreement and (ii) the closing sale price of the Class A common stock on the date of sale (an “Accelerated Purchase”). Under certain circumstances and in accordance with the LPC Purchase Agreement, we may direct Lincoln Park to purchase shares in multiple Accelerated Purchases on the same trading day.

The LPC Purchase Agreement also prohibits us from directing Lincoln Park to purchase any shares of its Class A common stock if those shares, when aggregated with all other shares of Class A common stock then beneficially owned by Lincoln Park and its affiliates, would result in Lincoln Park and its affiliates having beneficial ownership, at any single point in time, of more than 9.99% of the then total outstanding shares of Class A common stock as calculated pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended, and Rule 13d-3 thereunder.

Cash Flows

	Nine Months Ended September 30,	
	2023	2022
<i>(dollars in thousands)</i>		
Net cash used in operating activities	\$ (16,167)	\$ (9,142)
Net cash used in investing activities	—	(21)
Net cash provided by financing activities	12,279	11,087
Net (decrease) increase in cash and cash equivalents	<u>\$ (3,888)</u>	<u>\$ 1,924</u>

Operating Activities

For the nine months ended September 30, 2023, our net cash used in operating activities increased by \$7.0 million from the nine months ended September 30, 2022. The significant contributor to the change in cash used was driven by working capital changes, and offset by cash received of \$6.8 million in excess of the fair value of the Class A common stock issued to G42 investments in 2022.

Investing Activities

There were no cash flows from investing activities for the nine months ended September 30, 2023. For the nine months ended September 30, 2022, net cash used in investing activities was insignificant.

Financing Activities

For the nine months ended September 30, 2023, net cash provided by financing activities driven by the receipt of proceeds of \$12.0 million from the G42 Promissory Note early redemption during the nine months ended September 30, 2023. For the nine months ended September 30, 2022, net cash provided by financing activities was driven by sales of our Class A common stock to a collaboration partner and from the CinRx Purchase Agreement.

Future Funding Requirements

To date, we have not generated any revenue from drug product sales. We do not know when, or if, we will generate any revenue from drug product sales. We do not expect to generate revenue from drug sales unless and until we obtain regulatory approval of and commercialize any of our drug candidates. At the same time, we expect our expenses to continue or to increase in connection with our ongoing development activities, particularly as we continue the research, development and clinical trials of, and seek regulatory approval for, our drug candidates. In addition, subject to obtaining regulatory approval of any of our drug candidates, we expect to incur significant commercialization expenses for product sales, marketing, manufacturing and distribution. We anticipate that we will need substantial additional funding in connection with our continuing operations.

Based on our current operating plan, we believe that our current cash and cash equivalents will allow us to meet our liquidity requirements into the first quarter of 2024. We plan to finance our operations into the first quarter of 2024 through the use of our cash and cash equivalents and, based on current operating plans, we are evaluating several financing strategies

to fund the ongoing and future clinical trials of *cadisegliatin* (TTP399), including direct equity investments and the potential licensing and monetization of other Company programs. The timing of any such transactions is not certain, and we may not be able to complete such transactions on acceptable terms, or at all. Even if we are able to complete such transactions, they may contain restrictions on our operations or cause substantial dilution to our stockholders. We have based our estimates on assumptions that may prove to be wrong, and we may use our available capital resources sooner than we currently expect. Because of the numerous risks and uncertainties associated with the development and commercialization of our drug candidates, we are unable to estimate the amounts of increased capital outlays and operating expenditures necessary to complete the development of our drug candidates. Additionally, we may rely on our ability to sell shares of our Class A common stock pursuant to the ATM Offering and LPC Purchase Agreement. However, the ability to use these sources of capital is dependent on a number of factors, including the prevailing market price of and the volume of trading in the Company's Class A common stock.

Our future capital requirements will depend on many factors, including:

- the progress, costs, results and timing of our planned trials to evaluate *cadisegliatin* (TTP399) as a potential adjunctive therapy for the treatment of type 1 diabetes;
- the willingness of the FDA to rely upon our completed and planned clinical and preclinical studies and other work, as the basis for review and approval of our drug candidates;
- the outcome, costs and timing of seeking and obtaining FDA and any other regulatory approvals;
- the number and characteristics of drug candidates that we pursue, including our drug candidates in preclinical development;
- the ability of our drug candidates to progress through clinical development successfully;
- our need to expand our research and development activities;
- the costs associated with securing, establishing and maintaining commercialization capabilities;
- the costs of acquiring, licensing or investing in businesses, products, drug candidates and technologies;
- our ability to maintain, expand and defend the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make, or that we may receive, in connection with the licensing, filing, prosecution, defense and enforcement of any patents or other intellectual property rights;
- our need and ability to hire additional management, scientific, and medical personnel;
- the effect of competing technological and market developments;
- our need to implement additional internal systems and infrastructure, including financial and reporting systems;
- the economic and other terms, timing and success of our existing licensing arrangements and any collaboration, licensing or other arrangements into which we may enter in the future; and
- the amount of any payments we are required to make to M&F TTP Holdings Two LLC in the future under the Tax Receivable Agreement.

Until such time, if ever, as we can generate substantial revenue from drug sales, we expect to finance our cash needs through a combination of equity offerings, debt financings, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements. We currently have potential external source of funds available through the ATM Offering and LPC Purchase Agreement. However, the ability to use these sources of capital is dependent on a number of factors, including the prevailing market price of and the volume of trading in the Company's Class A common stock.

To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interests of our common stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. Debt financing and preferred equity financing, if available, may involve agreements that include covenants that will further limit or restrict our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may be required to relinquish valuable rights to our technologies, future revenue streams or drug candidates or grant licenses on terms that may not be favorable to us.

Our recurring losses, accumulated deficit and our current levels of cash and cash equivalents raise substantial doubt about our ability to continue as a going concern as of the date of this Quarterly Report on Form 10-Q. If we are unable to

continue as a going concern, we may have to liquidate our assets and it is likely that investors will lose all or a significant part of their investments. If we seek additional financing to fund our business activities in the future and there remains substantial doubt about our ability to continue as a going concern, investors or other financing sources may be unwilling to provide additional funding to us on commercially reasonable terms or at all, and such additional funding may cause substantial dilution to our existing investors. If we are unable to obtain additional funding, we could be forced to delay, reduce or eliminate our research and development programs or commercialization efforts, or pursue one or more alternative strategies, such as restructuring, any of which could adversely affect our business prospects.

Discussion of Critical Accounting Policies

For a discussion of our critical accounting policies and estimates, please refer to Part II, Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2022. There have been no material changes to our critical accounting policies and estimates in 2023.

Effect of Recent Accounting Pronouncements

See discussion of recent accounting pronouncements in Note 2, “Summary of Significant Accounting Policies”, to the Condensed Consolidated Financial Statements in this Form 10-Q.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

We do not currently have any material interest rate exposure.

Market Risk

Our exposure to market risk is limited to our cash and cash equivalents, all of which have maturities of one year or less. The goals of our investment strategy are preservation of capital, fulfillment of liquidity needs and fiduciary control of cash and investments. We also seek to maximize income from our investments without assuming significant risk. To achieve our goals, we maintain a portfolio of cash equivalents in a financial institution that management believes to be of high credit quality. Because of the short-term maturities of our investments, we do not believe that an increase in market rates would have a material negative impact on the value of our investment portfolio.

Foreign Currency Risk

We do not have any material foreign currency exposure.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our Chief Executive Officer (our principal executive officer) and Chief Financial Officer (our principal financial officer), management has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) of the Securities Exchange Act of 1934) as of September 30, 2023. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2023, our disclosure controls and procedures were effective in causing material information relating to us (including our consolidated subsidiaries) to be recorded, processed, summarized, and reported by management on a timely basis and to ensure the quality and timeliness of our public disclosures pursuant to SEC disclosure obligations.

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, with the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error and mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of controls.

The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future

conditions. Over time, a control may become inadequate because of changes in conditions or because the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected.

Changes to Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Website Availability of Reports and other Corporate Governance Information

The Company maintains a comprehensive corporate governance program, including Corporate Governance Guidelines for its Board of Directors, Board Guidelines for Assessing Director Independence, and charters for its Audit Committee, Nominating and Corporate Governance Committee and Compensation Committee. The Company maintains a corporate investor relations website, www.vtvtherapeutics.com, where stockholders and other interested persons may review, without charge, among other things, corporate governance materials and certain SEC filings, which are generally available on the same business day as the filing date with the SEC on the SEC's website <http://www.sec.gov>. The contents of our website are not made a part of this Quarterly Report on Form 10-Q.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not currently a party to any material legal proceedings.

ITEM 1A. RISK FACTORS

Our risk factors are set forth under the heading “Risk Factors” under Item 1A of Part I in our Annual Report on Form 10-K for the year ended December 31, 2022. There have been no material changes to our risk factors from those previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

There were no sales of unregistered equity securities during the three months ended September 30, 2023.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Plans

During the fiscal quarter ended September 30, 2023, none of our directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement.”

ITEM 6. EXHIBITS

Exhibit Number	Description
31.1*	Certification of President and Chief Executive Officer required by Rule 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer required by Rule 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of President and Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 9, 2023

VTV THERAPEUTICS INC.
(Registrant)

By: /s/ Paul J. Sekhri
Paul J. Sekhri
President and Chief Executive Officer

By: /s/ Steven Tuch
Steven Tuch
Chief Financial Officer

SECTION 302 CERTIFICATION

I, Paul J. Sekhri, certify that:

1. I have reviewed this quarterly report on Form 10-Q of vTv Therapeutics Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Securities Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 9, 2023

By: /s/ Paul J. Sekhri
Paul J. Sekhri
President and Chief Executive Officer

SECTION 302 CERTIFICATION

I, Steven Tuch, certify that:

1. I have reviewed this quarterly report on Form 10-Q of vTv Therapeutics Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Securities Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 9, 2023

By: /s/ Steven Tuch
Steven Tuch
Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of vTv Therapeutics Inc. (the "Company") on Form 10-Q for the period ended September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul J. Sekhri, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in my capacity as an officer of the Company that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2023

By: /s/ Paul J. Sekhri
Paul J. Sekhri
President and Chief Executive Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of vTv Therapeutics Inc. (the "Company") on Form 10-Q for the period ended September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven Tuch, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in my capacity as an officer of the Company that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2023

By: /s/ Steven Tuch
Steven Tuch
Chief Financial Officer