Geron Corporation Reports Third Quarter 2022 Financial Results and Upcoming Expected Milestones

11/3/2022

Top-Line Results from IMerge Phase 3 Trial in Lower Risk MDS Continue to be Expected in Early January 2023

Current and Projected Financial Resources Expected to Support Planned Milestones and Operations Through Middle of 2024

Conference Call Scheduled for 9:00 a.m. ET Today

FOSTER CITY, Calif.--(BUSINESS WIRE)-- Geron Corporation (Nasdaq: GERN), a late-stage clinical biopharmaceutical company developing a first-in-class telomerase inhibitor, imetelstat, to treat hematologic malignancies, today reported financial results for the third quarter of 2022 and upcoming expected milestones.

“Throughout the year, we have highlighted our vision for Geron to become a leader in the treatment of hematologic malignancies through the expected development and commercialization of imetelstat. We continue to believe that the differentiating qualities of imetelstat, including potential for disease modification and durability of effect, could transform the treatment landscape for lower risk myelodysplastic syndromes and JAK inhibitor relapsed/refractory myelofibrosis,” said John A. Scarlett, M.D., Geron’s Chairman and Chief Executive Officer. “We’re looking forward to the IMerge Phase 3 top-line results expected in just two months that if positive, will advance the company from late-stage development to commercialization and provide meaningful value for stockholders and patients.”

Upcoming Expected Milestones

2022

- Phase 2 and non-clinical updates expected at upcoming medical meeting
- Open remaining selected clinical sites in Phase 3 IMpactMF trial evaluating imetelstat vs. best available therapy in patients with JAK inhibitor relapsed/refractory myelofibrosis
- Start Phase 2 IMpress investigator-led study of single-agent imetelstat in relapsed/refractory (R/R) acute myeloid leukemia (AML) and higher risk MDS

2023

- Top-line results from IMerge Phase 3 in lower risk myelodysplastic syndromes (MDS) in early January
- New Drug Application submission in lower risk MDS in the U.S. in the first half of the year
- Marketing Authorization Application submission in lower risk MDS in the EU in the second half of the year
- Preliminary data from IMproveMF Phase 1 study of imetelstat in combination with ruxolitinib in frontline myelofibrosis by year-end

2024

- U.S. approval and commercial launch in lower risk MDS in the first half of the year
- IMpactMF interim analysis

Current and Projected Financial Resources

As of September 30, 2022, the Company had approximately $195 million in cash and marketable securities.

Under current planning assumptions, the Company projects its existing capital resources plus projected future proceeds of up to approximately $121 million from the potential exercise of the currently outstanding warrants and up to $50 million from the current debt facility will be sufficient to fund Geron's estimated level of operations, which includes stage-gated activities for potential U.S. commercial launch of imetelstat in lower risk MDS, until the middle of 2024.

Third Quarter 2022 Results

For the third quarter of 2022, the Company reported a net loss of $41.1 million, or $0.10 per share, compared to $26.7 million, or $0.08 per share, for the comparable 2021 period. Net loss for the first nine months of 2022 was $99.3 million, or $0.26 per share, compared to $84.1 million, or $0.26 per share, for the comparable 2021 period.

Revenues for the three and nine months ended September 30, 2022, were $297,000 and $493,000, respectively, compared to $109,000 and $353,000 for the comparable 2021 periods. Revenues in both years primarily reflect estimated royalties from sales of cell-based research products from the Company's divested stem cell assets.

Total operating expenses for the three and nine months ended September 30, 2022, were $40.2 million and $97.1 million, respectively, compared to $25.8 million and $83.4 million for the comparable 2021 periods.

Research and development expenses for the three and nine months ended September 30, 2022, were $24.6 million and $67.3 million, respectively, compared to $18.5 million and $61.6 million for the comparable 2021 periods. The

increase in research and development expenses for the three and nine months ended September 30, 2022, compared to the same periods in 2021, primarily reflects the net result of increased personnel-related expenses for additional headcount and higher consulting costs related to preparation for top-line results and regulatory submissions in lower risk MDS; partially offset by decreased manufacturing costs due to the timing of imetelstat manufacturing batches.

General and administrative expenses for the three and nine months ended September 30, 2022, were $15.6 million and $29.8 million, respectively, compared to $7.3 million and $21.8 million for the comparable 2021 periods. The increase in general and administrative expenses for the three and nine months ended September 30, 2022, compared to the same periods in 2021, primarily reflects increased costs for commercial preparatory activities; higher personnel-related expenses for additional headcount; and approximately $7.0 million for Geron's portion of the settlement for the class action lawsuit. In September 2022, the Company entered into a Stipulation and Agreement of Settlement (Stipulation) to resolve the class action lawsuit against the Company and certain officers of the Company. Under the terms of the Stipulation, in exchange for the release and dismissal with prejudice of all claims against the defendants in the class action lawsuit, Geron agreed to pay and/or to cause the Company's insurance carriers to pay a total of $24 million, comprised of approximately $17 million in cash and, at Geron's election, approximately $7 million in either shares of Geron common stock and/or cash. The proposed settlement does not constitute an admission of fault or wrongdoing by Geron or its officers. The proposed settlement remains subject to final approval by the court to be conducted at a hearing scheduled at the end of the first quarter of 2023 and certain other conditions, at which time payment of the settlement amount will be due.

Interest income was $852,000 and $1.3 million for the three and nine months ended September 30, 2022, respectively, compared to $112,000 and $421,000 for the same periods in 2021. The increase in interest income for the three and nine months ended September 30, 2022, compared to the same periods in 2021, primarily reflects a larger marketable securities portfolio with the receipt of net cash proceeds from the underwritten public offering completed in April 2022 and higher yields from recent marketable securities purchases.

Interest expense was $1.8 million and $4.9 million for the three and nine months ended September 30, 2022, respectively, compared to $1.1 million and $2.6 million for the same periods in 2021. The increase in interest expense for the three and nine months ended September 30, 2022, compared to the same periods in 2021, primarily reflects rising interest rates and increased principal debt balance. Currently, the Company has $50.0 million in principal debt outstanding.

Net other expense was $138,000 and $77,000 for the three months ended September 30, 2022 and 2021, respectively. Net other income was $916,000 and $1.1 million for the nine months ended September 30, 2022 and 2021, respectively. In the second quarter of 2022, the Company recognized other income of approximately $1.3

million related to the reimbursement of certain legal expenses under its insurance policies. During the first quarter of 2021, the Company sold all of its holdings in an equity investment resulting in a net realized gain of $1.2 million, including foreign currency translation adjustments.

Projected 2022 Financial Guidance Reaffirmed

For fiscal year 2022, under generally accepted accounting principles (GAAP), the Company continues to expect total operating expenses in the range of approximately $155 million to $165 million, which includes non-cash items such as: stock-based compensation expense, amortization of debt discounts and issuance costs as well as depreciation and amortization. The Company continues to expect non-GAAP total operating expenses for fiscal year 2022, which excludes estimated non-cash items such as: stock-based compensation expense, amortization of debt discounts and issuance costs as well as depreciation and amortization, in the range of approximately $140 million to $150 million.

The fiscal year 2022 financial guidance reflects costs to support: (a) preparatory activities for top-line results from the IMerge Phase 3 clinical trial and readiness for potential regulatory filings and commercialization of imetelstat in lower risk MDS; (b) continued conduct of IMerge and IMpactMF and commencement of new clinical studies associated with the imetelstat pipeline expansion strategy; (c) finalizing validation batches of imetelstat at contract manufacturers to enable future production of imetelstat for clinical and commercial purposes; (d) projected increases in headcount and (e) interest payments on outstanding debt.

As of September 30, 2022, the Company had 98 employees. The Company plans to grow to a total of approximately 100 to 110 employees by year-end 2022.

Conference Call

Geron will host a conference call at 9:00 a.m. ET on Thursday, November 3, 2022 to review recent events and third quarter 2022 financial results.

A live webcast of the conference call and related presentation will be available on the Company's website at **www.geron.com/investors/events**. An archive of the webcast will be available on the Company's website for 30 days.

Participants may access the webcast by registering online using the following link: **https://conferencingportals.com/event/SmvlMvWL%20**.

About Imetelstat

Imetelstat is a novel, first-in-class telomerase inhibitor exclusively owned by Geron and being developed in hematologic malignancies. Data from Phase 2 clinical trials provide strong evidence that imetelstat targets telomerase to inhibit the uncontrolled proliferation of malignant stem and progenitor cells in myeloid hematologic malignancies resulting in malignant cell apoptosis and potential disease-modifying activity. Imetelstat has been granted Fast Track designation by the United States Food and Drug Administration for both the treatment of patients with non-del(5q) lower risk MDS who are refractory or resistant to an erythropoiesis stimulating agent and for patients with Intermediate-2 or High-risk MF whose disease has relapsed after or is refractory to janus associated kinase (JAK) inhibitor treatment.

About IMerge Phase 3

IMerge Phase 3 is a double-blind, randomized, placebo-controlled Phase 3 clinical trial with registrational intent. The trial is designed to enroll approximately 170 transfusion dependent patients with Low or Intermediate-1 risk myelodysplastic syndromes (MDS), also referred to as lower risk MDS, who have relapsed after or are refractory to prior treatment with an erythropoiesis stimulating agent (ESA). The primary endpoint is the rate of red blood cell (RBC) transfusion independence (TI) for any consecutive period of eight weeks or longer, or 8-week RBC-TI rate. Key secondary endpoints include the rate of RBC-TI lasting at least 24 weeks, or 24-week RBC-TI rate, duration of TI and the rate of hematologic improvement-erythroid (HI-E), defined as a reduction of at least four units of RBC transfusions over eight weeks compared with the prior RBC transfusion burden.

IMerge Phase 3 is fully enrolled and patient enrollment has been closed. For additional information about IMerge Phase 3, visit **ClinicalTrials.gov/NCT02598661**.

About IMpactMF Phase 3

IMpactMF is an open label, randomized, controlled Phase 3 clinical trial with registrational intent. The trial is designed to enroll approximately 320 patients with Intermediate-2 or High-risk myelofibrosis (MF) who are relapsed after or refractory to prior treatment with a JAK inhibitor, also referred to as relapsed/refractory MF. Patients will be randomized to receive either imetelstat or best available therapy. The primary endpoint is overall survival (OS). Key secondary endpoints include symptom response, spleen response, progression free survival, complete remission, partial remission, clinical improvement, duration of response, safety, pharmacokinetics, and patient reported outcomes.

IMpactMF is currently enrolling patients. For further information about IMpactMF, including enrollment criteria, locations and current status, visit **ClinicalTrials.gov/NCT04576156**.

About Geron

Geron is a late-stage biopharmaceutical company pursuing therapies with the potential to extend and enrich the lives of patients living with hematologic malignancies. Our first-in-class telomerase inhibitor, imetelstat, harnesses Nobel Prize-winning science in a treatment that may alter the underlying drivers of disease. Geron currently has two Phase 3 pivotal clinical trials underway evaluating imetelstat in lower risk myelodysplastic syndromes (LR MDS), and in relapsed/refractory myelofibrosis (MF). To learn more, visit **www.geron.com** or follow us on **LinkedIn**.

Use of Forward-Looking Statements

Except for the historical information contained herein, this press release contains forward-looking statements made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such statements, include, without limitation, those regarding: (i) that for IMerge Phase 3, Geron expects top-line results to be available in early January 2023; (ii) that Geron believes current and projected financial resources are expected to support planned milestones and operations through the middle of 2024; (iii) that the potential for disease modification and durability of effect with imetelstat could transform the treatment landscape for lower risk MDS and JAKi relapsed/refractory MF; (iv) that Geron expects to transform from a development stage to commercial company; (v) that Geron expects Phase 2 and preclinical updates at an upcoming medical meeting; (vi) that Geron expects to open remaining selected clinical sites in IMpactMF in 2022; (vii) that Geron expects the start of the IMpress study in 2022; (viii) that in lower risk MDS, Geron expects a New Drug Application submission in the U.S. in the first half of 2023 and a Marketing Authorization application submission in the EU in the second half of 2023; (ix) that Geron expects preliminary data from IMproveMF by year-end 2023; (x) that Geron expects U.S. approval and commercial launch in lower risk MDS in the first half of 2024; (xi) that Geron expects the IMpactMF interim analysis in 2024; (xii) that Geron expects proceeds of up to approximately $121 million from the exercise of currently outstanding warrants and up to $50 million from the current debt facility and that such proceeds will be sufficient to fund Geron's estimated level of operations, which includes stage-gated activities for potential U.S. commercial launch of imetelstat in lower risk MDS, until the middle of 2024; (xiii) that Geron expects total GAAP operating expenses in 2022 to be approximately $155 to $165 million and non-GAAP operating expenses in 2022 to be approximately $140 to $150 million; (xiv) that imetelstat has the potential to demonstrate disease-modifying activity; (xv) that IMerge Phase 3 and IMpactMF have registrational intent; and (xvi) other statements that are not historical facts, constitute forward-looking statements. These forward-looking statements involve risks and uncertainties that can cause actual results to differ materially from those in such forward-looking statements. These risks and uncertainties, include, without limitation, risks and uncertainties related to: (a) whether the current or evolving effects of the COVID-19 pandemic and/or the Russia/Ukraine conflict cause global economic and financial disruptions that materially and adversely impact Geron's business and business prospects, its financial condition and the future of imetelstat; (b) whether Geron overcomes all of the potential delays and other adverse impacts caused by the current or evolving effects of the COVID-19 pandemic and/or the Russia/Ukraine conflict, and

overcomes all the enrollment, clinical, safety, efficacy, technical, scientific, intellectual property, manufacturing and regulatory challenges in order to have the financial resources for, and to meet the expected timelines, planned milestones and events in (v) to (xi) above; (c) whether regulatory authorities permit the further development of imetelstat on a timely basis, or at all, without any clinical holds; (d) whether imetelstat is demonstrated to be safe and efficacious in IMerge Phase 3 and IMpactMF to enable regulatory approval; (e) whether any future efficacy or safety results may cause the benefit-risk profile of imetelstat to become unacceptable; (f) whether imetelstat actually demonstrates disease-modifying activity in patients and the ability to target the malignant stem and progenitor cells of the underlying disease; (g) that Geron may seek to raise substantial additional capital in order to complete the development and commercialization of imetelstat to meet all of the expected timelines, planned milestones and events in (v) to (xi) above; (h) whether regulatory authorities require an additional clinical trial for approval even if IMerge Phase 3 or IMpactMF meet their respective primary endpoints; (i) whether there are failures or delays in manufacturing or supplying sufficient quantities of imetelstat or other clinical trial materials in a timely manner, or at all; (j) whether the patient follow-up period of 12 months in IMerge Phase 3 results in not obtaining adequate data to demonstrate safety and efficacy, including transfusion independence, for achieving success in the primary analysis; (k) whether the FDA will approve imetelstat for lower risk MDS based on IMerge Phase 3 safety and efficacy data that is similar to the data in IMerge Phase 2: (l) whether Geron can accurately project the timing of enrollment in its clinical trials, and for IMpactMF, Geron's projected rates for enrollment and death events may differ from actual rates, which may cause the interim analysis to occur later than currently expected; (m) whether Geron is able to enroll its clinical trials at a pace that would enable the financial resources for, and to meet the expected timelines, planned milestones and events in (v) to (xi) above; (n) whether the outstanding warrants will be exercised and result in proceeds of up to approximately $121 million and (o) whether the clinical, regulatory and financial milestones and capitalization requirements are achieved to enable availability of the $75 million in debt tranches. Additional information on the above risks and uncertainties and additional risks, uncertainties and factors that could cause actual results to differ materially from those in the forward-looking statements are contained in Geron's filings and periodic reports filed with the Securities and Exchange Commission under the heading "Risk Factors" and elsewhere in such filings and reports, including Geron's quarterly report on Form 10-Q for the quarter-ended June 30, 2022 and future filings and reports by Geron. Undue reliance should not be placed on forward-looking statements, which speak only as of the date they are made, and the facts and assumptions underlying the forward-looking statements may change. Except as required by law, Geron disclaims any obligation to update these forward-looking statements to reflect future information, events or circumstances.

Non-GAAP Financial Measure

To supplement Geron's financial results and guidance presented in accordance with GAAP, the Company is providing projected non-GAAP total operating expenses, which excludes stock-based compensation expense, amortization of debt discounts and issuance costs and depreciation and amortization, from projected GAAP total

operating expenses. The Company believes this non-GAAP financial measure, when considered together with other financial information prepared in accordance with GAAP, can enhance investors' and analysts' ability to meaningfully compare Geron's results from period to period and to projected forward-looking guidance, and to identify operating trends in Geron's business. The exclusion of non-cash items, such as stock-based compensation expense, amortization of debt discounts and issuance costs and depreciation and amortization, does not directly or immediately relate to the operational performance for the periods presented. This projected non-GAAP financial measure is in addition to, not a substitute for, or superior to, measures of financial performance projected in accordance with GAAP. Geron encourages investors to carefully consider the Company's results under GAAP, as well as the supplemental non-GAAP financial information, to more fully understand Geron's business.

Financial table follows.

GERON CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(In thousands, except share and per share data)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Revenues:				
License fees and royalties	$ 297	$ 109	$ 493	$ 353
Operating expenses:				
Research and development	24,603	18,527	67,308	61,577
General and administrative	15,642	7,256	29,784	21,793
Total operating expenses	40,245	25,783	97,092	83,370
Loss from operations	(39,948)	(25,674)	(96,599)	(83,017)
Interest income	852	112	1,294	421
Interest expense	(1,817)	(1,058)	(4,877)	(2,605)
Other income and expense, net	(138)	(77)	916	1,106
Net loss	$ (41,051)	$ (26,697)	$ (99,266)	$ (84,095)
Basic and diluted net loss per share:				
Net loss per share	$ (0.10)	$ (0.08)	$ (0.26)	$ (0.26)
Shares used in computing net loss per share	405,237,474	328,934,491	380,659,049	326,552,763

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)	September 30, 2022 (Unaudited)	December 31, 2021 (Note 1)
Current assets:		
Cash, cash equivalents and restricted cash	$ 61,467	$ 35,235
Current marketable securities	133,684	148,851
Other current assets	26,919	3,120
Total current assets	222,070	187,206
Noncurrent marketable securities	—	28,651
Property and equipment, net	733	650
Deposits and other assets	9,803	9,527
	$ 232,606	$ 226,034

Current liabilities	$	82,809	$	45,521
Noncurrent liabilities		41,625		54,097
Stockholders' equity		108,172		126,416
	$	232,606	$	226,034

Note 1: Derived from audited financial statements included in the Company's annual report on Form 10-K for the year ended December 31, 2021.

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