# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, D.C. 20549**

# FORM 8-K

**CURRENT REPORT**
**Pursuant to Section 13 or 15(d) of the**
**Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): **August 10, 2023**

# Fortress Biotech, Inc.
(Exact Name of Registrant as Specified in Charter)

| **Delaware** | **001-35366** | **20-5157386** |
|---|---|---|
| (State or Other Jurisdiction of Incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

**1111 Kane Concourse, Suite 301**
**Bay Harbor Islands, FL 33154**
(Address of Principal Executive Offices)

**(781) 652-4500**
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

¨ Written communications pursuant to Rule 425 under the Securities Act.

¨ Soliciting material pursuant to Rule 14a-12 under the Exchange Act.

¨ Pre-commencement communications pursuant to Rule 14d-2b under the Exchange Act.

¨ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act.

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock | FBIO | Nasdaq Capital Market |
| 9.375% Series A Cumulative Redeemable Perpetual Preferred Stock | FBIOP | Nasdaq Capital Market |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). ¨

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. ¨

**Item 2.02. Results of Operations and Financial Condition.**

On August 14, 2023, Fortress Biotech, Inc. issued a press release to announce financial results and recent corporate highlights for the quarter ended June 30, 2023. A copy of such press release is being furnished as Exhibit 99.1 to this report.

The information, including Exhibit 99.1, in this Form 8-K is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in this Form 8-K shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, except as shall otherwise be expressly set forth by specific reference in such filing.

**Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

On August 10, 2023, the Board of Directors (the "Board") of Fortress Biotech, Inc. (the "Company") adopted the Third Amended and Restated Bylaws of the Company (the "Amended Bylaws"), effective immediately. The Amended Bylaws modify the Company's prior bylaws to amend Article II, Section 7 to change the voting requirement for an action to constitute the act of the stockholders at all meetings of the stockholders of the Company at which a quorum is present or represented,

from:

the affirmative vote of a majority of the shares of stock present or represented at the meeting, by ballot, proxy or electronic ballot, unless the vote of a greater number of shares of stock is required by law, by the Company's Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") or by these by-laws.

to:

the affirmative vote of a majority of the shares of stock present or represented at the meeting, by ballot, proxy or electronic ballot, unless a different or minimum vote is required by the Certificate of Incorporation, these Bylaws, the Delaware General Corporate Law, the rules or regulations of any stock exchange applicable to the corporation, or any law or regulation applicable to the corporation or its securities, in which case such different or minimum vote shall be the required vote on the matter.

In addition, the Amended Bylaws effect certain other changes, as set forth in the text of the same, which is set forth in Exhibit 3.1 attached to this report, and the full text of the Amended Bylaws is set forth in Exhibit 3.2 attached to this report, each of which is incorporated by reference to this Item 5.03 and which qualifies the foregoing description in its entirety.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

| **Exhibit Number** | **Description** |
|---|---|
| 3.1 | Amendments to Second Amended and Restated Bylaws of the Company |
| 3.2 | Third Amended and Restated Bylaws of the Company |
| 99.1 | Press Release issued by Fortress Biotech, Inc., dated August 14, 2023 |
| 104 | Cover Page Interactive Data File (the cover page XBRL tags are imbedded in the Inline XBRL document) |

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**SIGNATURES**

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

**Fortress Biotech, Inc.**
(Registrant)

Date: August 14, 2023

By: /s/ Lindsay A. Rosenwald, M.D.
Lindsay A. Rosenwald, M.D.
Chairman, President and Chief Executive Officer

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**Exhibit 3.1**

Amendments to Second Amended and Restated Bylaws

The text below reflects modifications reflected in the Third Amended and Restated Bylaws of Fortress Biotech, Inc., with additions (in red) and deletions (in red strikethrough):

ARTICLE II
STOCKHOLDERS

SECTION 5. Voting Process. If a quorum is present or represented, the affirmative vote of a majority of the shares of stock present or represented at the meeting, by ballot, proxy or electronic ballot, shall be the act of the stockholders unless ~~the~~ a different or minimum vote ~~of a greater number of shares of stock~~ is required by ~~law, by~~ the Certificate of Incorporation ~~or by~~, these ~~by-laws~~ Bylaws, the Delaware General Corporate Law, the rules or regulations of any stock exchange applicable to the corporation, or any law or regulation applicable to the corporation or its securities, in which case such different or minimum vote shall be the required vote on the matters. Each outstanding share of stock having voting power, shall be entitled to one vote on each matter submitted to a vote at a meeting of stockholders. A shareholder may vote either in person, by proxy executed in writing by the stockholder or by his duly authorized attorney-in-fact, or by an electronic ballot from which it can be determined that the ballot was authorized by a stockholder or proxyholder. The term, validity and enforceability of any proxy shall be determined in accordance with the General Corporation Law of the State of Delaware.

SECTION 7. Stockholder Proposals/Director Nominations

(a) Annual Meetings.

For purposes of these Bylaws, "public announcement" shall mean disclosure in a press release reported by~~the Dow Jones News Service, Associated Press or a comparable~~ a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

ARTICLE VI
CAPITAL STOCK

SECTION 1. Form. The shares of the capital stock of the corporation shall be represented by certificates or shall be uncertificated shares that may be evidenced by a book-entry system maintained by the registrar of such capital stock, or a combination of both. To the extent that shares are represented by certificates, such certificates shall be in such form as shall be approved by the board of directors and shall be signed by the Chairman, the President, an Executive Vice President or a Vice President, and by the Treasurer or an assistant treasurer or the Secretary or an Assistant Secretary of the corporation, and may be sealed with the seal of the corporation or a facsimile thereof.

ARTICLE XI
AMENDMENTS

SECTION 1. These by-laws may be altered, amended, supplemented or repealed or new by-laws may be adopted (a) at any regular or special meeting of stockholders at which a quorum is present or represented, by the affirmative vote of the holders of a majority of the shares entitled to vote, provided notice of the proposed alteration, amendment or repeal be contained in the notice of such meeting, or (b) by a resolution adopted by a majority of the whole board of directors at any regular or special meeting of the board. The stockholders shall have authority to change or repeal any by-laws adopted by the directors.

**THIRD AMENDED AND RESTATED**

**BYLAWS**

**OF**

**FORTRESS BIOTECH, INC.**

**— A Delaware Corporation —**

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THIRD AMENDED AND RESTATED BY-LAWS

OF

FORTRESS BIOTECH, INC. (FORMERLY CORONADO BIOSCIENCES, INC.)

Adopted August 10, 2023

ARTICLE I

OFFICES

SECTION 1. Principal Office. The registered office of the corporation shall be located in such place as may be provided from time to time in the Certificate of Incorporation.

SECTION 2. Other Offices. The corporation may also have offices at such other places both within and without the State of Delaware as the board of directors may from time to time determine or as the business of the corporation may require.

ARTICLE II

STOCKHOLDERS

SECTION 1. Annual Meetings. The annual meeting of the stockholders of the corporation shall be held wholly or partially by means of remote communication or at such place, within or without the State of Delaware, on such date and at such time as may be determined by the board of directors and as shall be designated in the notice of said meeting.

SECTION 2. Special Meetings. Special meetings of the stockholders for any purpose or purposes, unless otherwise prescribed by statute or by the Certificate of Incorporation, may be held wholly or partially by means of remote communication or at any place, within or without the State of Delaware, and may be called by resolution of the board of directors, or by the Chairman or the President.

SECTION 3. Notice and Purpose of Meetings. Written or printed notice of the meeting stating the place, day and hour of the meeting and, in case of a special meeting, stating the purpose or purposes for which the meeting is called, and in case of a meeting held by remote communication stating such means, shall be delivered not less than ten nor more than sixty days before the date of the meeting, either personally, or by mail, or if prior consent has been received by a stockholder by electronic transmission, by or at the direction of the Chairman or the President, the Secretary, or the persons calling the meeting, to each stockholder of record entitled to vote at such meeting.

SECTION 4. Quorum. The holders of a majority of the shares of capital stock issued and outstanding and entitled to vote, represented in person or by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business, except as otherwise provided by statute or by the Certificate of Incorporation. If, however, such quorum is not present or represented at any meeting of the stockholders, then the Chairman shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented. At such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally noticed.

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SECTION 5. Voting Process. If a quorum is present or represented, the affirmative vote of a majority of the shares of stock present or represented at the meeting, by ballot, proxy or electronic ballot, shall be the act of the stockholders unless a different or minimum vote is required by the Certificate of Incorporation, these Bylaws, the Delaware General Corporate Law, the rules or regulations of any stock exchange applicable to the corporation, or any law or regulation applicable to the corporation or its securities, in which case such different or minimum vote shall be the required vote on the matter. Each outstanding share of stock having voting power, shall be entitled to one vote on each matter submitted to a vote at a meeting of stockholders. A shareholder may vote either in person, by proxy executed in writing by the stockholder or by his duly authorized attorney-in-fact, or by an electronic ballot from which it can be determined that the ballot was authorized by a stockholder or proxyholder. The term, validity and enforceability of any proxy shall be determined in accordance with the General Corporation Law of the State of Delaware.

SECTION 6. Written Consent of Stockholders Without a Meeting. No action shall be taken by the stockholders of the Corporation except at an annual or special meeting of stockholders called in accordance with these Bylaws and no action shall be taken by the stockholders by written consent.

SECTION 7. Stockholder Proposals/Director Nominations.

(a) Annual Meetings. Nominations of persons for election to the board of directors and the proposal of business to be transacted by the stockholders may be made at an annual meeting of stockholders (i) pursuant to the Corporation's notice with respect to such meeting, (ii) by or at the direction of the board of directors or (iii) by any stockholder of record of the Corporation who was a stockholder of record at the time of the giving of the notice provided for in the following paragraph, who is entitled to vote at the meeting and who has complied with the notice procedures set forth in this Section.

For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of the foregoing paragraph, (1) the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation, (2) such business must be a proper matter for stockholder action under the General Corporation Law of the State of Delaware, (3) if the stockholder, or the beneficial owner on whose behalf any such proposal or nomination is made, has provided the Corporation with a Solicitation Notice, as that term is defined in subclause (C)(vii) of this paragraph, such stockholder or beneficial owner must, in the case of a proposal, have delivered a proxy statement and form of proxy to holders of at least the percentage of the Corporation's voting shares required under applicable law to carry any such proposal, or, in the case of a nomination or nominations, have delivered a proxy statement and form of proxy to holders of a percentage of the Corporation's voting shares reasonably believed by such stockholder or beneficial holder to be sufficient to elect the nominee or nominees proposed to be nominated by such stockholder, and must, in either case, have included in such materials the Solicitation Notice and (4) if no Solicitation Notice relating thereto has been timely provided pursuant to this Section, the stockholder or beneficial owner proposing such business or nomination must not have solicited a number of proxies sufficient to have required the delivery of such a Solicitation Notice under this Section. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not less than 45 or more than 75 days prior to the first anniversary (the "Anniversary") of the date on which the Corporation first mailed its proxy materials for the preceding year's annual meeting of stockholders; provided, however, that if the date of the annual meeting is advanced more than 30 days prior to or delayed by more than 30 days after the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be so delivered not later than the close of business on the later of (i) the 90th day prior to such annual meeting or (ii) the 10th day following the day on which public announcement of the date of such meeting is first made. Such stockholder's notice shall set forth (A) as to each person whom the stockholder proposes to nominate for election or reelection as a director (i) the name, age, business address and residence address of such person, (ii) the class, series and number of any shares of stock of the Corporation beneficially owned or owned of record by such person, (iii) the date or dates such shares were acquired and the investment intent of such acquisition and (iv) all information relating to such person as would be required to be disclosed in solicitations of proxies for the election of such nominees as directors; pursuant to Regulation 14A under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), and such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; (B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of such business, the reasons for conducting the business at the meeting, and, if such business includes a proposal to amend the Bylaws of the Corporation, the language of the proposed amendment, and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (C) as to the stockholder giving the notice, such stockholder must also set forth in its notice: (i) any material interest in such business of such stockholder and any Stockholder Associated Person (as defined below), individually or in aggregate, including any anticipated benefit to the stockholder or the Stockholder Associated Person therefrom; (ii) the class, series and number of all shares of the Corporation owned by such stockholder and by such Stockholder Associated Person, if any, (iii) the nominee holder for, and number of, shares owned beneficially but not of record by such stockholder and by any such Stockholder Associated Person, (iv) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, such stockholder of any such Stockholder Associated Person with respect to any share of stock of the Corporation; (v) as to the stockholder giving the notice and any Stockholder Associated Person, the name and address of such stockholder, as they appear on the Corporation's stock ledger, and current name and address, if different, and of such Stockholder Associated Person; (vi) to the extent known by the stockholder giving the notice, the name and address of any other stockholder supporting the nominee for election or reelection as a director or the proposal of other business on the date of such stockholder's notice; and (vii) whether either such stockholder or Stockholder Associated Person intends to deliver a proxy statement and form of proxy to holders of, in the case of a proposal, at least the percentage of the Corporation's voting shares required under applicable law to carry the proposal or, in the case of a nomination or nominations, a sufficient number of holders of the Corporation's voting shares to elect such nominee or nominees (an affirmative statement of such intent, a "Solicitation Notice").



Notwithstanding anything in the second sentence of the second paragraph of this Section to the contrary, in the event that the number of directors to be elected to the board of directors is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased board of directors made by the Corporation at least 55 days prior to the Anniversary, a stockholder's notice required by this Bylaw shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

Only persons nominated in accordance with the procedures set forth in this Section shall be eligible to serve as directors and only such business shall be conducted at an annual meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section. The chairman of the meeting shall have the power and the duty to determine whether a nomination or any business proposed to be brought before the meeting has been made in accordance with the procedures set forth in these Bylaws and, if any proposed nomination or business is not in compliance with these Bylaws, to declare that such defectively proposed business or nomination shall not be presented for stockholder action at the meeting and shall be disregarded.

For purposes of these Bylaws, "public announcement" shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(b) Special Meetings. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the board of directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (i) by or at the direction of the board of directors or (ii) by any stockholder of record of the Corporation who is a stockholder of record at the time of giving of notice provided for in this paragraph, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in Section 7(a). Nominations by stockholders of persons for election to the board of directors may be made at such a special meeting of stockholders if the stockholder's notice required by Section 7(a) shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the later of the 90th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the board of directors to be elected at such meeting.

(c) Exchange Act Compliance. Notwithstanding the foregoing provisions of this Section, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to matters set forth in this Section. Nothing in this Section shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.



(d) For the purposes of this Section, "Stockholder Associated Person" of any stockholder shall mean (i) any person controlling, directly or indirectly, or acting in concert with, such stockholder, (ii) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such stockholder and (iii) any person controlling, controlled by or under common control with such Stockholder Associated Person.

## ARTICLE III

## DIRECTORS

SECTION 1. Powers. The business affairs of the corporation shall be managed by its board of directors, which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these by-laws directed or required to be exercised or done by the stockholders. The board of directors may adopt such rules and regulations, not inconsistent with the Certificate of Incorporation or these By-Laws or applicable laws, as it may deem proper for the conduct of its meetings and the management of the Corporation.

SECTION 2. Number, Qualifications, Term. The board of directors shall consist of no less than one (1) and no more than nine (9) members. The number of directors may be fixed or changed from time to time within the minimum and maximum by the board of directors. Directors need not be residents of the State of Delaware nor stockholders of the corporation.

SECTION 3. Vacancies. Vacancies in the board of directors may only be filled by a majority of the remaining Directors, even if less than a quorum, or by a sole remaining Director; stockholders may not fill a vacancy on the board of directors other than at a duly called meeting of stockholders. Each director so elected shall hold office until the next annual meeting of the stockholders and until a successor has been elected and qualified.

SECTION 4. Place of Meetings. Meetings of the board of directors, regular or special, may be held either within or without the State of Delaware.

SECTION 5. First Meeting. The first meeting of each newly elected board of directors shall be held immediately following and at the place of the annual meeting of stockholders and no other notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present, or it may convene at such place and time as shall be fixed by the consent in writing of all the directors.

SECTION 6. Regular Meetings. Regular meetings of the board of directors may be held upon such notice, or without notice, and at such time and at such place as shall from time to time be determined by the board.



SECTION 7. Special Meetings. Special meetings of the board of directors may be called by the Chairman or the President or by the number of directors who then legally constitute a quorum. Notice of the time and place of all special meetings of the board of directors shall be orally or in writing, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means, during normal business hours, at least 24 hours before the date and time of the meeting. If notice is sent by U.S. mail, it shall be sent by first class mail, charges prepaid, at least three days before the date of the meeting.

SECTION 8. Notice; Waiver. Attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

SECTION 9. Quorum. A majority of the directors then in office shall constitute a quorum for the transaction of business unless a greater number is required by law, by the Certificate of Incorporation or by these by-laws. If a quorum shall not be present at any meeting of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

SECTION 10. Action Without A Meeting. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if a consent in writing or by electronic transmission, setting forth the action so taken, shall be signed by all of the directors entitled to vote with respect to the subject matter thereof. In addition, meetings of the board may be held by means of conference telephone or voice communication as permitted by the General Corporation Law of the State of Delaware.

SECTION 11. Action. Except as otherwise provided by law or in the Certificate of Incorporation or these by-laws, if a quorum is present, the affirmative vote of a majority of the members of the board of directors will be required for any action.

SECTION 12. Removal of Directors. Subject to any provisions of applicable law, any or all of the directors may be removed by vote of the stockholders.

## ARTICLE IV

## COMMITTEES

SECTION 1. Executive Committee. The board may, by resolution adopted by a majority of the whole board, designate one or more of its members to constitute members or alternate members of an Executive Committee.

SECTION 2. Powers and Authority of Executive Committee. The Executive Committee shall have and may exercise, between meetings of the Board, all the powers and authority of the Board in the management of the business and affairs of the Company, including, the right to authorize the purchase of stock, except that the Executive Committee shall not have such power or authority in reference to amending the Certificate of Incorporation; adopting an agreement of merger or consolidation; recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets; recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution, or amending the by-laws of the Corporation or authorizing the declaration of a dividend.



SECTION 3. Other Committees. The Board may, by resolution adopted by a majority of the whole Board, designate one or more other committees, each of which shall, except as otherwise prescribed by law, have such authority of the Board as shall be specified in the resolution of the Board designating such committee. A majority of all the members of such committee may determine its action and fix the time and place of its meeting, unless the Board shall otherwise provide. The Board shall have the power at any time to change the membership of, to fill all vacancies in and to discharge any such committee, either with or without cause.

SECTION 4. Procedure; Meetings; Quorum. Regular meetings of the Executive Committee or any other committee of the Board, of which no notice shall be necessary, may be held at such times and places as shall be fixed by resolution adopted by a majority of the members thereof. Special meetings of the Executive Committee or any other committee of the Board shall be called at the request of any member thereof. So far as applicable, the provisions of Article III of these By-laws relating to notice, quorum and voting requirements applicable to meetings of the Board shall govern meetings of the Executive Committee or any other committee of the Board. The Executive Committee and each other committee of the Board shall keep written minutes of its proceedings and circulate summaries of such written minutes to the Board before or at the next meeting of the Board.

## ARTICLE V

OFFICERS

SECTION 1. Number. The board of directors at its first meeting after each annual meeting of stockholders shall choose a President, a Secretary and a Treasurer, none of whom need be a member of the board. The board of directors may also choose a Chairman from among the directors, one or more Executive Vice Presidents, one or more Vice Presidents, Assistant Secretaries and Assistant Treasurers. The board of directors may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board of directors. More than two offices may be held by the same person.

SECTION 2. Compensation. The salaries or other compensation of all officers of the corporation shall be fixed by the board of directors. No officer shall be prevented from receiving a salary or other compensation by reason of the fact that he is also a director.

SECTION 3. Term; Removal; Vacancy. The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the whole board of directors. Any vacancy occurring in any office of the corporation shall be filled by the board of directors.

SECTION 4. Chairman. The Chairman shall, if one be elected, preside at all meetings of the board of directors.



SECTION 5. President. The President shall be the Chief Executive Officer of the corporation, shall preside at all meetings of the stockholders and the board of directors in the absence of the Chairman, shall have general supervision over the business of the corporation and shall see that all directions and resolutions of the board of directors are carried into effect.

SECTION 6. Vice President. The Executive Vice Presidents shall, in the absence or disability of the President, perform the duties and exercise the powers of the President and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe. If there shall be more than one Executive Vice President, the Executive Vice Presidents shall perform such duties and exercise such powers in the absence or disability of the President, in the order determined by the board of directors. The Vice Presidents shall, in the absence or disability of the President and of the Executive Vice Presidents, perform the duties and exercise the powers of the President and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe. If there shall be more than one vice president, the vice presidents shall perform such duties and exercise such powers in the absence or disability of the President and of the Executive Vice President, in the order determined by the board of directors.

SECTION 7. Secretary. The Secretary shall attend all meetings of the board of directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and of the board of directors in a book to be kept for that purpose. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or President, under whose supervision he shall be. He shall have custody of the corporate seal of the corporation and he, or an assistant secretary, shall have the authority to affix the same to an instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his signature.

SECTION 8. Assistant Secretary. The Assistant Secretary, if there shall be one, or if there shall be more than one, the assistant secretaries in the order determined by the board of directors, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such powers as the board of directors may from time to time prescribe.

SECTION 9. Treasurer. The Treasurer or Chief Financial Officer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors. He shall disburse the funds of the corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the Chairman, the President and the board of directors, at its regular meetings, or when the board of directors so requires, an account of all of his transactions as Treasurer and of the financial condition of the corporation.



SECTION 10. Assistant Treasurer. The Assistant Treasurer, if there shall be one, or, if there shall be more than one, the Assistant Treasurers in the order determined by the board of directors, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

ARTICLE VI

CAPITAL STOCK

SECTION 1. Form. The shares of the capital stock of the corporation shall be represented by certificates, or shall be uncertificated shares that may be evidenced by a book-entry system maintained by the registrar of such capital stock, or a combination of both. To the extent that shares are represented by certificates, such certificates shall be in such form as shall be approved by the board of directors and shall be signed by the Chairman, the President, an Executive Vice President or a Vice President, and by the Treasurer or an assistant treasurer or the Secretary or an Assistant Secretary of the corporation, and may be sealed with the seal of the corporation or a facsimile thereof.

SECTION 2. Lost and Destroyed Certificates. The board of directors may direct a new certificate to be issued in place of any certificate theretofore issued by the corporation alleged to have been lost or destroyed. When authorizing such issue of a new certificate, the board of directors, in its discretion and as a condition precedent to the issuance thereof, may prescribe such terms and conditions as it deems expedient, and may require such indemnities as it deems adequate, to protect the corporation from any claim that may be made against it with respect to any such certificate alleged to have been lost or destroyed.

SECTION 3. Transfer of Shares. Upon surrender to the corporation or the transfer agent of the corporation of a certificate representing shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, a new certificate shall be issued to the person entitled thereto, and the old certificate cancelled and the transaction recorded upon the books of the corporation.

ARTICLE VII

INDEMNIFICATION

SECTION 1. (a) The Corporation shall indemnify, subject to the requirements of subsection (d) of this Section, any person who was or is a party or is threatened to

be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.



(b) The Corporation shall indemnify, subject to the requirements of subsection (d) of this Section, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery of the State of Delaware or such other court shall deem proper.

(c) To the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b) of this Section, or in defense of any claim, issue or matter therein, the Corporation shall indemnify him against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(d) Any indemnification under subsections (a) and (b) of this Section (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subsections (a) and (b) of this Section. Such determination shall be made (1) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the stockholders.

(e) Expenses incurred by a director, officer, employee or agent in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Section. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the board of directors deems appropriate.



(f) The indemnification and advancement of expenses provided by, or granted pursuant to, the other subsections of this Section shall not limit the Corporation from providing any other indemnification or advancement of expenses permitted by law nor shall they be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.

(g) The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Section.

(h) For the purposes of this Section, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Section with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(i) For purposes of this Section, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to any employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Section.

(j) The indemnification and advancement of expenses provided by, or granted pursuant to, this Section shall, unless otherwise provided when authorized or ratified by the board of directors, continue as to a person who has ceased to be a director, officer, employee or agent of the Corporation and shall inure to the benefit of the heirs executors and administrators of such a person.

(k) The officers and directors of the Company, as individuals, shall not be liable until all funds of the Company have been distributed, with the exception of the proceeds contained in a trust account, that is subject to the trust agreement to be entered into by the Company.



ARTICLE VIII

GENERAL PROVISIONS

SECTION 1. Checks. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the board of directors may from time to time designate.

SECTION 2. Fiscal Year. The fiscal year of the corporation shall be determined, and may be changed, by resolution of the board of directors.

SECTION 3. Seal. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

## ARTICLE IX

## AMENDMENTS

SECTION 1. These by-laws may be altered, amended, supplemented or repealed or new by-laws may be adopted (a) at any regular or special meeting of stockholders at which a quorum is present or represented, by the affirmative vote of the holders of a majority of the shares entitled to vote, provided notice of the proposed alteration, amendment or repeal be contained in the notice of such meeting, or (b) by resolution of the board of directors. The stockholders shall have authority to change or repeal any by-laws adopted by the directors.

**Fortress Biotech Reports Second Quarter 2023 Financial Results and Recent Corporate Highlights**

***Total net revenue was $17.4 million in the second quarter of 2023, a 40% increase from $12.4 million in the first quarter of 2023***

***Positive topline results from two Phase 3 clinical trials evaluating DFD-29 demonstrated achievement of co-primary and all secondary endpoints versus placebo and Oracea® (doxycycline) with no significant safety issues***

***Fortress is advancing several late-stage clinical assets with two NDA submissions anticipated in the second half of 2023 for DFD-29 and CUTX-101***

***Cosibelimab longer-term results demonstrated substantial increases in complete response rates in advanced cutaneous squamous cell carcinoma***

***PDUFA goal date of January 3, 2024, set by FDA for cosibelimab to treat metastatic or locally advanced cutaneous squamous cell carcinoma***

**Miami, FL – August 14, 2023** – Fortress Biotech, Inc. (Nasdaq: FBIO) ("Fortress"), an innovative biopharmaceutical company focused on efficiently acquiring, developing and commercializing or monetizing promising therapeutic products and product candidates, today announced financial results and recent corporate highlights for the second quarter ended June 30, 2023.

Lindsay A. Rosenwald, M.D., Fortress' Chairman, President and Chief Executive Officer, said, "Fortress, along with our partner companies and subsidiaries, demonstrated meaningful progress in the second quarter of 2023 and subsequent months, including:

- Our revenue numbers remain strong for the second quarter, totaling $17.4 million, which represents a 40% growth rate over the first quarter of 2023.
- Additionally, we are excited by all of the positive data milestones recently achieved, notably:
  - Positive topline results from our two Phase 3 DFD-29 clinical trials for papulopustular rosacea;
  - Positive data from our Phase 1/2 single center clinical trial of our CAR T cell therapy, MB-106, to treat a wide range of hematologic malignancies;
  - Positive data from the Phase 1 dotinurad clinical trial in healthy volunteers in the U.S.;
  - Excellent longer-term positive Phase 3 cosibelimab data demonstrating substantial increases in complete response rates in advanced cutaneous squamous cell carcinoma ("cSCC");
  - New pharmacokinetic ("PK") modeling data for cosibelimab supporting the extension to an every-three-week dosing regimen; and
  - Positive preclinical data in the BAER-101 trial supporting a Phase 2 study in epilepsy.
- On the regulatory front:
  - We reached agreement with the U.S. Food and Drug Administration ("FDA") on key elements of the Phase 3 safety study, including the primary endpoint and statistical analysis approach, for intravenous ("IV") tramadol, which is in development for the treatment of acute post-operative pain in a medically supervised setting. We believe that a positive study outcome could result in the FDA approval of IV tramadol.
  - By the end of 2023, we expect to have two additional New Drug Applications ("NDA") on file with the FDA for CUTX-101 and DFD-29.
  - There is a Prescription Drug User Fee Act ("PDUFA") goal date of January 3, 2024, for cosibelimab to treat metastatic or locally advanced cSCC."

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Dr. Rosenwald continued, "With an expanding portfolio of marketed dermatology products, more than 25 drug candidates across our partner companies, and the potential for multiple FDA approvals over the next two years, we believe that our business is well-positioned for continued growth. Our strategy is focused on targeting exciting clinical-stage medicines with proof-of-concept data in areas of unmet need. Fortress and our partner companies are poised to achieve our collective objective of providing new treatment options to patients in need, while creating significant long-term value for our shareholders through our equity interests and royalties."

**Recent Corporate Highlights[1]:**

**Marketed Dermatology Products and Product Candidates**

- Journey Medical Corporation (Nasdaq: DERM) ("Journey Medical"), our partner company, primarily focuses on selling and marketing of prescription dermatology products.
- Journey Medical's total product net revenues were $17.0 million for the second quarter of 2023, compared to second quarter 2022 total product net revenues of $18.2 million, and showed sequential growth compared to $12.2 million total product net revenues in the first quarter of 2023.
- In July 2023, Journey Medical announced positive topline data from the two DFD-29 (Minocycline Hydrochloride Modified Release Capsules, 40 mg) Phase 3 clinical trials for the treatment of rosacea and achieved the co-primary and all secondary endpoints with subjects completing the 16-week treatment with no significant safety issues. DFD-29 demonstrated statistical superiority compared to both Oracea capsules and placebo for Investigator's Global Assessment treatment success and the reduction in the total inflammatory lesion count in both studies. Journey Medical plans to file its NDA for DFD-29 in the second half of 2023 and expects potential approval from the FDA in the second half of 2024.
- In June 2023, Journey Medical announced positive topline data from the Phase 1 clinical trial assessing the impact of DFD-29 on the microbial flora of healthy adults and also evaluated the safety and tolerability of DFD-29. The study achieved all primary objectives and no significant safety issues were noted during the study. The results indicate that DFD-29 can be safely used for up to 16 weeks with no significant risk of microbiota suppression or development of resistance.

**Cosibelimab (Anti PD-L1 antibody)**

- Our partner company, Checkpoint Therapeutics, Inc. (Nasdaq: CKPT) ("Checkpoint"), submitted a Biologics License Application ("BLA") to the FDA for cosibelimab, its investigational anti-PD-L1 antibody, as a treatment for patients with metastatic or locally advanced cSCC who are not candidates for curative surgery or radiation, in January 2023. In March 2023, the FDA accepted the BLA filing for cosibelimab and set a PDUFA goal date of January 3, 2024. In its BLA filing acceptance letter, the FDA indicated that no potential filing review issues have been identified, and that an advisory committee meeting to discuss the application is not currently planned. According to U.S. prescription claims data, in 2021, approximately 11,000 patients with cSCC were treated with systemic therapies. As checkpoint inhibitors comprised less than half of U.S. patient prescriptions, cSCC remains a disease with a need for more effective and tolerable treatment options, particularly for the significant number of cSCC patients with immunosuppressive conditions or autoimmune diseases. With its unique mechanism of action and compelling safety profile, we believe cosibelimab, if approved, would be uniquely positioned to provide an important new treatment option for patients with cSCC who are currently underserved by available therapies.

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[1] The development programs depicted in this press release include product candidates in development at Fortress, at Fortress' private subsidiaries (referred to herein as "subsidiaries"), at Fortress' public subsidiaries (referred to herein as "partner companies") and at entities with which one of the foregoing parties has a significant business relationship, such as an exclusive license or an ongoing product-related payment obligation (such entities referred to herein as "partners"). The words "we", "us" and "our" may refer to Fortress individually, to one or more of our subsidiaries and/or partner companies, or to all such entities as a group, as dictated by context.

- In July 2023, Checkpoint announced new, longer-term data for cosibelimab from its pivotal studies in locally advanced and metastatic cutaneous squamous cell carcinoma ("cSCC"). These results demonstrate a deepening of response over time, resulting in substantially higher complete response rates than previously reported (55% objective response rate; 23% complete response rate in locally advanced cSCC and 50% objective response rate; 13% complete response rate in metastatic cSCC). Furthermore, responses continue to remain durable over time with the median duration of response not yet reached in either group.
- In June 2023, Checkpoint announced that new PK modeling data on cosibelimab supporting the extension to an every-three-week dosing regimen were presented at the Population Approach Group Europe 2023 annual meeting. Results support comparability of cosibelimab 800 mg every-two-week and 1200 mg every-three-week dosing regimens.
- Cosibelimab was sourced by Fortress and is currently in development at Checkpoint.

**Dotinurad (Urate Transporter (URAT1) Inhibitor)**

- Dotinurad is in development for the treatment of gout. Data announced in June 2023 from the Phase 1 clinical trial in healthy volunteers showed comparable pharmacokinetic, pharmacodynamic and safety profile between U.S. and Japanese healthy subjects. We plan to initiate a Phase 1b clinical trial in gout patients in the U.S. in the third quarter of 2023 to confirm the comparability of Japanese and U.S. subjects' response to dotinurad and we expect to begin pivotal clinical trials in early 2024.
- Dotinurad (URECE® tablet) was approved in Japan in 2020 as a once-daily oral therapy for gout and hyperuricemia. Dotinurad was efficacious and well-tolerated in more than 500 Japanese patients treated for up to 58 weeks in Phase 3 clinical trials. The clinical program supporting approval included over 1,000 patients.
- Dotinurad was sourced by Fortress and is currently in development at Urica.

**MB-106 (CD20-targeted CAR T Cell Therapy)**

- Mustang Bio, Inc.'s (Nasdaq: MBIO) ("Mustang Bio") lead clinical candidate is MB-106, a CD20-targeted, autologous CAR T cell therapy to treat a wide range of hematologic malignancies, including Waldenstrom macroglobulinemia ("WM") and follicular lymphoma ("FL"). MB-106 continues to demonstrate a favorable safety and efficacy profile in both the Fred Hutch single institution and Mustang Bio multicenter Phase 1/2 clinical trials.
- Phase 1/2 data from the WM cohort in the Fred Hutch clinical trial for MB-106 were presented in a poster session at the European Hematology Association Hybrid Congress. All six patients in the WM cohort in the study were previously treated with Bruton's tyrosine kinase inhibitors ("BTKi"), and their disease continued to progress while on BTKis. 83% (5/6) of the WM cohort patients treated with MB-106 responded to treatment, including 2 complete responses ("CR"), 1 very good partial response ("VGPR"), 1 partial response ("PR"), and 1 minor response, with the remaining patient experiencing stable disease. One of the patients who achieved a CR has remained in remission for 22 months. From a safety perspective, cytokine release syndrome ("CRS") occurred in five patients with no grade 3 or 4 CRS observed, and one patient experienced grade 1 immune effector cell-associated neurotoxicity syndrome ("ICANS") with no grade 2, 3 or 4 ICANS observed.
- Fred Hutch also presented MB-106 data from the FL cohort of their clinical trial in an oral presentation at the International Conference on Malignant Lymphoma. A total of 20 patients with relapsed FL with confirmed CD20 expression participated in the study and had day 28 assessment. Median age was 63 years (range: 44 – 81), and median prior lines of treatment was 4 (range: 1 – 12). High-risk features included patients with progression of disease within 24 months of first-line chemoimmunotherapy (POD24) (n=15, 75%), history of histologic transformation (n=4, 20%), prior treatment with a CD19 target CAR T (n=1, 5%). Overall response rate ("ORR") was 95% (19/20), and CR rate was 80% (16/20). Patients who received higher dose levels had an ORR of 100% and a CR rate of 91%. Ten patients are in remission over one year, seven of whom are in remission over two years. One patient, previously treated with a CD19-targeted CAR T-cell therapy, achieved a CR and remains in remission after 18 months. From a safety profile perspective, all CRS events were grade 1 (n=5, 25%) or grade 2 (n=1, 5%), with no grade ≥ 3 CRS events and there was no occurrence of ICANS of any grade.

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- In parallel, Mustang Bio's multicenter, open-label, non-randomized Phase 1/2 clinical trial evaluating the safety and efficacy of MB-106 continues to accrue, and Mustang Bio anticipates escalation to the final dose level in the Phase 1 indolent lymphoma arm in the third quarter of this year. The FDA granted Orphan Drug Designation to MB-106 for the treatment of WM, and results from this arm are expected to support an accelerated Phase 2 registration strategy for WM, with the first pivotal Phase 2 patient with WM to be treated potentially in the first quarter of 2024. Mustang Bio plans to report initial safety and efficacy data from the multicenter trial shortly, with additional safety and efficacy data from the trial expected in the fourth quarter. Finally, Mustang Bio expects to initiate a pivotal phase 2 trial in at least one additional B-cell malignancy later in 2024.
- MB-106 was sourced by Fortress and is currently in development at Mustang Bio.

**CUTX-101 (Copper Histidinate for Menkes disease)**

- Our subsidiary, Cyprium Therapeutics, Inc. ("Cyprium"), has completed two pivotal studies in patients with Menkes disease treated with CUTX-101, copper histidinate (CuHis). In a pre-specified analysis of the studies, a 79% reduction in the risk of death was observed in patients treated within four weeks of birth, compared with a historical control cohort of untreated patients, and median overall survival (OS) was 177.1 months for CUTX-101 compared to 16.1 months for the historical control, with a hazard ratio ("HR") of (95% CI) = 0.208 (0.094, 0.463) p<0.0001. A 75% reduction in the risk of death was observed in patients treated after four weeks of birth, compared with untreated historical control subjects, and median OS was 62.4 and 17.6 months, respectively; HR (95% CI) = 0.253 (0.119, 0.537); p<0.0001.
- In 2021, Cyprium signed a Development and Asset Purchase Agreement with Sentynl Therapeutics, Inc. ("Sentynl"), a wholly owned subsidiary of Zydus Lifesciences Ltd., for CUTX-101 to treat Menkes disease. Cyprium is responsible for the development of CUTX-101, and Sentynl will be responsible for commercialization of CUTX-101, as well as progressing newborn screening activities.
- In December 2021, Cyprium initiated the rolling submission of an NDA to the FDA for CUTX-101, which is ongoing and expected to be completed by the end of 2023.
- Cyprium will retain 100% ownership over any FDA priority review voucher that may be issued at NDA approval of CUTX-101.
- CUTX-101 was sourced by Fortress and is currently in development at Cyprium.

**CAEL-101 (Light Chain Fibril-reactive Monoclonal Antibody for AL Amyloidosis)**

- On October 5, 2021, AstraZeneca plc ("AstraZeneca") acquired Caelum Biosciences, Inc. ("Caelum") for an upfront payment of approximately $150 million paid to Caelum shareholders, of which approximately $56.9 million was paid to Fortress, net of Fortress' $6.4 million portion of the $15 million, 24-month escrow holdback amount and other miscellaneous transaction expenses. The agreement also provides for additional potential payments to Caelum shareholders totaling up to $350 million, payable upon the achievement of regulatory and commercial milestones. Fortress is eligible to receive 42.4% of all potential milestone payments, which, together with the upfront payment, would total up to approximately $212 million.
- There are two ongoing Phase 3 studies of CAEL-101 for AL amyloidosis. (ClinicalTrials.gov identifiers: NCT04512235 and NCT04504825)[2]
- Based on its public statements, AstraZeneca has estimated that it expects the FDA to accept its BLA submission for review in the second half of 2024.
- CAEL-101 (anselamimab) was sourced by Fortress and was developed by Caelum (founded by Fortress) until its acquisition by AstraZeneca in October 2021.

[2] Information on clinicaltrials.gov does not constitute part of this release.

**Triplex (Cytomegalovirus (“CMV”) vaccine)**

- In June 2023, we announced that the National Cancer Institute awarded a $3.2 million grant to City of Hope for clinical studies of Triplex, a CMV vaccine being developed by Helocyte and City of Hope. This competitive award will fund two planned multicenter, placebo-controlled, randomized Phase 2 studies to evaluate the potential safety and immunological response of Triplex and its ability to enhance CMV-specific T cell immunity in stem cell donors to reduce the risk of CMV events in recipients of allogeneic hematopoietic cell transplant.
- We expect that the Phase 2 clinical trial of Triplex for adults co-infected with HIV and CMV will complete enrollment in the second half of 2023 with topline data anticipated in 2024. The study aims to show that vaccination with Triplex can potentially reduce the dose of highly active antiretroviral therapy treatment required to control HIV, which is used in up to 1.7 million treated patients with HIV.
- Triplex received a grant from the National Institute of Allergy and Infectious Diseases that could provide over $20 million in non-dilutive funding. This will fund a 420 patient multicenter, placebo-controlled, randomized Phase 2 study of Triplex for control of CMV in patients undergoing liver transplantation and is expected to begin enrollment this year. We believe this data set could ultimately be used to support approval of Triplex in this setting.
- Triplex is currently the subject of three ongoing clinical trials including: pediatric patients undergoing stem cell transplant; adults co-infected with CMV and HIV; and in combination with a CAR T cell therapy for adults with non-Hodgkin lymphoma.
- Triplex was sourced by Fortress and is currently in development at our subsidiary, Helocyte, Inc.

**AJ201**

- In July 2023, we announced that our partner company, Avenue Therapeutics, Inc. (Nasdaq: ATXI) (“Avenue”), dosed the first patient in a Phase 1b/2a study, which is evaluating AJ201 in the U.S. for the treatment of spinal and bulbar muscular atrophy (“SBMA”), also known as Kennedy's Disease. Kennedy’s Disease is a debilitating rare genetic neuromuscular disease primarily affecting men. Although there is a range of cited prevalence rates in the literature, a recent study used genetic analysis to estimate disease prevalence of 1:6,887 males[3]. Topline data for the Phase 1b/2a clinical trial of AJ201 in SBMA are expected in the first half of 2024.
- AJ201 was sourced by Fortress and is currently in development at Avenue.

**BAER-101**

- In August 2023, Avenue reported preclinical results for BAER-101, a potentially best in class GABA-A α2,3 positive allosteric modulator, demonstrating it significantly suppressed seizures in a translational animal model of absence epilepsy. In an *in vivo* evaluation using the SynapCell's Genetic Absence Epilepsy Rat from Strasbourg (“GAERS”) model of absence epilepsy, BAER-101 fully suppressed seizure activity with a minimal effective dose of 0.3 mg/kg, PO. The effect was fast in onset and stable throughout the duration of testing. The detailed preclinical results will be presented at an upcoming scientific meeting. The combination of safety and tolerability in hundreds of patients and the preclinical efficacy data support BAER-101’s continued development in a Phase 2a trial, which the Company plans to initiate in 2024.
- BAER-101 was sourced by Fortress and is currently in development at Baergic Bio, a subsidiary of Avenue.

[3] M. Zanovello et al., Unexpected frequency of the pathogenic *AR* CAG repeat 2 expansion in the general population. Brain, *in press* (2023).

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**IV Tramadol**

- In July 2023, Avenue reached an agreement with the FDA on key elements of the Phase 3 safety study, including the primary endpoint and statistical analysis approach, for intravenous (“IV”) tramadol, which is in development for the treatment of acute post-operative pain in a medically supervised setting. The agreed upon non-inferiority study is designed to assess the theoretical risk of opioid-induced respiratory depression related to opioid stacking on IV tramadol compared to IV morphine. Avenue expects to initiate the Phase 3 safety study this year, subject to obtaining the necessary financing which could be provided through a strategic partnership. We expect that a positive study outcome could result in the FDA approval of IV tramadol.
- IV Tramadol was sourced by Fortress and is currently in development at Avenue.

***In vivo* CAR T Platform Technology**

- We continue to collaborate with the Mayo Clinic to potentially revolutionize the delivery of CAR T in patients. The technology has the potential to generate CAR T cells within the patient’s body after two outpatient injections, without the need for traditional *ex vivo* allogeneic or autologous CAR T cell processing wait time and expense.
- We anticipate the publication of proof-of-concept research from *in vivo* animal studies in 2023.
- The novel CAR T technology was sourced by Fortress and is currently in development at Mustang Bio.

**General Corporate:**

- In July 2023, Mustang Bio announced that it amended its previously announced asset purchase agreement with uBriGene (Boston) Biosciences Inc. (“uBriGene”), the U.S. subsidiary of uBriGene Group, a leading cell and gene therapy contract development and manufacturing organization (“CDMO”), and closed the transaction. Per the terms of the amended asset purchase agreement, at closing, uBriGene acquired all of Mustang Bio’s assets primarily relating to the manufacturing and production of cell and gene therapies at Mustang Bio’s state-of-the-art clinical- and commercial-scale cell and gene therapy manufacturing facility in Worcester, Massachusetts, for upfront consideration of $6 million in cash. An additional $5 million contingent payment will be payable to Mustang Bio upon (i) Mustang Bio’s raising $10 million in gross proceeds from equity raises following the closing of the transaction and (ii) completion of the assignment of Mustang Bio’s lease to uBriGene, which remains subject to landlord’s approval, within two years of the closing. Until the lease is transferred to uBriGene, Mustang Bio will retain its facility lease and facility personnel, and will continue to occupy the leasehold premises and manufacture there its lead product candidate, MB-106.
- In April 2023, Aevitas Therapeutics, Inc. (“Aevitas”), Fortress’ subsidiary company, and 4D Molecular Therapeutics (“4DMT”) announced the execution of an asset purchase agreement for 4DMT to acquire Aevitas’ proprietary rights to its short-form human complement factor H (“sCFH”) asset for the treatment of complement-mediated diseases. Under the terms of the agreement, 4DMT will make cash payments to Aevitas totaling up to ~$140 million in potential late-stage development, regulatory and sales milestones. A range of single-digit royalties on net sales are also payable. The aforementioned payments are payable solely to Aevitas, and 4DMT will be responsible for license payment obligations to University of Pennsylvania, where the sCFH technology was co-invented and co-developed.

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**Financial Results:**

To assist our stockholders in understanding our company, we have prepared non-GAAP financial metrics for the three months ended June 30, 2023 and 2022. These metrics exclude the operations of our four public partner companies: Avenue, Checkpoint, Journey Medical and Mustang Bio, as well as any one-time, non-recurring, non-cash transactions. The goal in providing these non-GAAP financial metrics is to highlight the financial results of Fortress' core operations, which comprise our privately held development-stage entities, as well as our business development and finance functions.

- As of June 30, 2023, Fortress' consolidated cash, cash equivalents and restricted cash totaled $89.2 million, compared to $154.9 million as of March 31, 2023 and $181.0 million as of December 31, 2022, a decrease of $65.7 million during the quarter and a decrease of $91.8 million year-to-date.
- On a GAAP basis, Fortress' net revenue totaled $17.4 million for the second quarter of 2023, which included $17.0 million in net revenue generated from our marketed dermatology products. This compares to net revenue totaling $18.9 million for the second quarter of 2022, which included $18.2 million in net revenue generated from our marketed dermatology products.
- On a GAAP basis, consolidated research and development expenses including license acquisitions were $32.1 million for the second quarter of 2023, compared to $33.1 million for the second quarter of 2022. On a non-GAAP basis, Fortress research and development expenses were $2.7 million for the second quarter of 2023, compared to $3.3 million for second quarter of 2022.
- On a GAAP basis, consolidated selling, general and administrative expenses were $24.4 million for the second quarter of 2023, compared to $29.0 million for the second quarter of 2022. On a non-GAAP basis, Fortress selling, general and administrative expenses were $6.8 million, for the second quarter of 2023, compared to $8.5 million for the second quarter of 2022.
- On a GAAP basis, consolidated net loss attributable to common stockholders was $26.8 million, or $0.24 per share, for the second quarter of 2023, compared to consolidated net loss attributable to common stockholders of $23.4 million, or $0.26 per share for the second quarter of 2022.
- Fortress' non-GAAP loss attributable to common stockholders was $8.0 million, or $0.07 per share, for the second quarter of 2023, compared to Fortress' non-GAAP loss attributable to common stockholders of $10.9 million, or $0.12 per share, for the second quarter of 2022.

**Use of Non-GAAP Measures:**
In addition to the GAAP financial measures as presented in our filings with the Securities and Exchange Commission ("SEC"), including our Form 10-Q to be filed on August 14, 2023, the Company, in this press release, has included certain non-GAAP measurements. The non-GAAP net loss attributable to common stockholders is defined by the Company as GAAP net loss attributable to common stockholders, less net losses attributable to common stockholders from our public partner companies Avenue, Checkpoint, Journey Medical and Mustang Bio ("public partner companies"). In addition, the Company has also provided a Fortress non-GAAP loss attributable to common stockholders which is a modified EBITDA calculation that starts with the non-GAAP loss attributable to common stockholders and removes stock-based compensation expense, non-cash interest expense, amortization of debt discount, changes in fair value of derivative liability, loss on deconsolidation of subsidiary and depreciation expense. The Company also provides non-GAAP research and development costs, defined as GAAP research and development costs, less research and development costs of our public partner companies and non-GAAP selling, general and administrative costs, defined as GAAP selling, general and administrative costs, less selling, general and administrative costs of our public partner companies.

Management believes each of these non-GAAP measures provide meaningful supplemental information regarding the Company's performance because (i) it allows for greater transparency with respect to key measures used by management in its financial and operational decision-making; (ii) it excludes the impact of non-cash or, when specified, non-recurring items that are not directly attributable to the Company's core operating performance and that may obscure trends in the Company's core operating performance; and (iii) it is used by institutional investors and the analyst community to help analyze the Company's standalone results separate from the results of its public partner companies. However, non-GAAP loss attributable to common stockholders and any other non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP. Further, non-GAAP financial measures used by the Company and the manner in which they are calculated may differ from the non-GAAP financial measures or the calculations of the same non-GAAP financial measures used by other companies, including the Company's competitors.

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The tables below provide a reconciliation from GAAP to non-GAAP measures:

| *($ in thousands except for share and per share amounts)* | For the three months ended June 30, 2023 | 2022 | For the six months ended June 30, 2023 | 2022 |
|---|---|---|---|---|
| **Net loss attributable to common stockholders**[1] | $ (26,784) | $ (23,364) | $ (50,329) | $ (41,132) |
| Net loss attributable to common stockholders - Avenue[2] | (339) | (354) | (1,361) | (889) |
| Net loss attributable to common stockholders - Checkpoint[3] | (2,441) | (2,596) | (4,208) | (5,520) |
| Net loss attributable to common stockholders - Journey Medical[4] | (4,662) | (4,747) | (10,395) | (5,564) |
| Net loss attributable to common stockholders - Mustang Bio[5] | (3,276) | (1,374) | (6,550) | (3,916) |
| **Non-GAAP loss attributable to common stockholders** | $ (16,066) | $ (14,293) | $ (27,815) | $ (25,243) |
| Stock based compensation | 2,705 | 2,884 | 5,574 | 5,665 |
| Non-cash interest | 391 | 4 | 836 | 8 |
| Amortization of debt discount | 970 | 404 | 1,454 | 761 |
| Depreciation | 92 | 98 | 185 | 198 |
| Change in fair value of warrant liabilities | 512 | - | (6,166) | - |
| Loss on deconsolidation of Aevitas | 3,369 | - | 3,369 | - |
| **Fortress non-GAAP loss attributable to common stockholders** | $ (8,027) | $ (10,903) | $ (22,563) | $ (18,611) |
| | | | | |
| Per common share - basic and diluted: | | | | |
| Net loss attributable to common stockholders (GAAP) | $ (0.24) | $ (0.26) | $ (0.47) | $ (0.47) |
| Non-GAAP net loss attributable to common stockholders | $ (0.15) | $ (0.16) | $ (0.26) | $ (0.29) |
| Fortress non-GAAP loss attributable to common stockholders | $ (0.07) | $ (0.12) | $ (0.21) | $ (0.21) |
| | | | | |
| Weighted average common shares outstanding - basic and diluted | 110,659,985 | 88,743,457 | 106,297,241 | 87,593,952 |

1. Net loss attributable to common stockholders reflects the Series A Preferred dividends for all periods presented.
2. Avenue net loss for the three months ended June 30, 2023 of $4.0 million net of non-controlling interest ("NCI") of $3.5 million, Fortress management services agreement ("MSA") fee of $0.1 million and financing fee to Fortress of $0.1 million; net loss for the three months ended June 30, 2022 of $0.6 million net of NCI of $0.3 million; net loss for the six months ended June 30, 2023 of $11.5 million net of NCI of $9.9 million, Fortress MSA fee of $0.3 million, and Fortress financing fee of $0.1 million; and net loss for the six months ended June 30, 2022 of $3.5 million net of NCI of $2.6 million.
3. Checkpoint net loss for the three months ended June 30, 2023 of $16.5 million net of NCI of $13.6 million, Fortress MSA fee of $0.1 million and financing fee to Fortress of $0.4 million; net loss for the three months ended June 30, 2022 of $14.1 million net of NCI of $11.4 million, Fortress MSA fee of $0.1 million; net loss for the six months ended June 30, 2023 of $27.0 million net of NCI of $22.0 million, Fortress MSA fee of $0.3 million, and Fortress financing fee of $0.6 million; and net loss for the six months ended June 30, 2022 of $31.0 million net of NCI of $25.0 million, Fortress MSA fee of $0.3 million, and Fortress financing fee of $0.2 million.

4. Journey Medical net loss for the three months ended June 30, 2023 of $8.4 million net of NCI of $3.7 million; and net loss for the three months ended June 30, 2022 of $7.5 million, net of NCI of approximately $2.8 million and tax benefit recognized on a stand-alone basis of $0.1 million; and net loss of $18.5 million net of non-controlling interest of $8.1 million for the 6 months ended June 30, 2023, and net loss of $8.9 million net non-controlling interest of $3.3 million for the six months ended June 30, 2022.

5. Mustang Bio net loss for the three months ended June 30, 2023 of $16.2 million net of NCI of $12.8 million, Fortress MSA fee of $0.1 million; net loss for the three months ended June 30, 2022 of $19.1 million net of NCI of $17.4 million; net loss for the six months ended June 30, 2023 of $32.9 million net of non-controlling interest of $26.1 million and Fortress MSA fee of $0.3 million; and net loss for the six months ended June 30, 2022 of $38.9 million net of NCI of $31.5 million, Fortress MSA of $0.5 million and Fortress financing fee of $0.9 million.

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Reconciliation to non-GAAP research and development costs and non-GAAP selling, general and administrative costs:

| *($ in thousands)* | For the three months ended June 30, 2023 | 2022 | For the six months ended June 30, 2023 | 2022 |
|---|---|---|---|---|
| **Research and development**[1] | **$ 32,141** | **$ 33,131** | **$ 71,647** | **$ 69,853** |
| Less: | | | | |
| Research and development - Avenue[2] | 2,965 | 151 | 8,347 | 1,959 |
| Research and development - Checkpoint | 13,945 | 12,053 | 29,771 | 26,723 |
| Research and development - Journey Medical | 1,774 | 2,609 | 3,807 | 3,875 |
| Research and development - Mustang Bio[3] | 10,773 | 15,039 | 24,711 | 31,203 |
| **Non-GAAP research and development costs** | **$ 2,684** | **$ 3,279** | **$ 5,011** | **$ 6,093** |
| | | | | |
| **Selling, general and administrative** | **$ 24,439** | **$ 29,048** | **$ 49,780** | **$ 55,318** |
| Less: | | | | |
| General and administrative - Avenue[4] | 761 | 454 | 1,683 | 1,509 |
| General and administrative - Checkpoint[5] | 1,753 | 1,987 | 3,764 | 3,909 |
| Selling, general and administrative - Journey Medical | 12,141 | 15,191 | 25,433 | 29,906 |
| General and administrative - Mustang Bio[6] | 2,993 | 2,876 | 5,251 | 5,278 |
| **Non-GAAP selling, general and administrative costs** | **$ 6,791** | **$ 8,540** | **$ 13,649** | **$ 14,716** |

1. Includes Research and development expense and Research and development - licenses acquired expense for the periods presented.
2. Excludes $0.1 million of Fortress MSA expense payable to Fortress for the three and six months ended June 30, 2023.
3. Excludes $0.1 million of Fortress MSA expense for the three months ended June 30, 2023; $0.1 million of Fortress MSA expense for the three months ended June 30, 2022; $0.1 million Fortress MSA expense for the six months ended June 30, 2023; and $0.3 million Fortress MSA expense for the six months ended June 30, 2022.
4. Excludes $0.1 million of Fortress MSA expense and $0.1 million financing fee payable to Fortress for the three months ended June 31, 2023 and $0.3 million of Fortress MSA expense and $0.1 million financing fee payable to Fortress for the six months ended June 31, 2023.
5. Excludes $0.1 million of Fortress MSA expense and $0.4 million Fortress financing fee for the three months ended June 30, 2023; $0.1 million of Fortress MSA expense for the three months ended June 30, 2022; $0.3 million Fortress MSA expense and $0.6 million Fortress financing fee for the six months ended June 30, 2023; and $0.3 million Fortress MSA expense and $0.2 million Fortress financing fee for the six months ended June 30, 2022.
6. Excludes $0.1 million of Fortress MSA expense for the three months ended June 30, 2023; $0.1 million of Fortress MSA expense and $0.1 million Fortress financing fee for the three months ended June 30, 2022; $0.1 million Fortress MSA expense for the six months ended June 30, 2023; and $0.3 million Fortress MSA expense and $0.9 million Fortress financing fee for the six months ended June 30, 2022.

**About Fortress Biotech**

Fortress Biotech, Inc. (“Fortress”) is an innovative biopharmaceutical company focused on efficiently acquiring, developing and commercializing or monetizing promising therapeutic products and product candidates. The company has eight marketed prescription pharmaceutical products and over 25 programs in development at Fortress, at its majority-owned and majority-controlled partners and subsidiaries and at partners and subsidiaries it founded and in which it holds significant minority ownership positions. Such product candidates span six large-market areas, including oncology, rare diseases and gene therapy, which allow it to create value for shareholders. Fortress advances its diversified pipeline through a streamlined operating structure that fosters efficient drug development. The Fortress model is driven by a world-class business development team that is focused on leveraging its significant biopharmaceutical industry expertise to further expand the company’s portfolio of product opportunities. Fortress has established partnerships with some of the world’s leading academic research institutions and biopharmaceutical companies to maximize each opportunity to its full potential, including AstraZeneca, City of Hope, Fred Hutchinson Cancer Center, St. Jude Children’s Research Hospital, Nationwide Children’s Hospital and Sentynl. For more information, visit www.fortressbiotech.com.

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**Forward-Looking Statements**

This press release may contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended. As used below and throughout this press release, the words “we”, “us” and “our” may refer to Fortress individually or together with one or more partner companies, as dictated by context. Such statements include, but are not limited to, any statements relating to our growth strategy and product development programs, ability to generate shareholder value, ability of our products to receive necessary approvals, including FDA approval, ability of our products and therapies to help patients and any other statements that are not historical facts. Forward-looking statements are based on management’s current expectations and are subject to risks and uncertainties that could negatively affect our business, operating results, financial condition and stock price. Factors that could cause actual results to differ materially from those currently anticipated include, risks relating to: our growth strategy; financing and strategic agreements and relationships; our need for substantial additional funds and uncertainty relating to financings; our ability to identify, acquire, close and integrate product candidates successfully and on a timely basis; our ability to attract, integrate and retain key personnel; the early stage of products under development; the results of research and development activities; uncertainties relating to preclinical and clinical testing; risks relating to the timing of starting and completing clinical trials; the ability to secure and maintain third-party manufacturing, marketing and distribution of our and our partner companies’ products and product candidates; government regulation; patent and intellectual property matters; competition; as well as other risks described in our SEC filings. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations or any changes in events, conditions or circumstances on which any such statement is based, except as may be required by law, and we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. The information contained herein is intended to be reviewed in its totality, and any stipulations, conditions or provisos that apply to a given piece of information in one part of this press release should be read as applying *mutatis mutandis* to every other instance of such information appearing herein.

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**FORTRESS BIOTECH, INC. AND SUBSIDIARIES**
**Unaudited Condensed Consolidated Balance Sheets**
**($ in thousands except for share and per share amounts)**

| | June 30, 2023 | December 31, 2022 |
|---|---|---|
| **ASSETS** | | |
| Current assets | | |
| Cash and cash equivalents | $ 78,022 | $ 178,266 |
| Accounts receivable, net | 16,737 | 28,208 |
| Inventory | 12,166 | 14,159 |
| Other receivables - related party | 273 | 138 |
| Prepaid expenses and other current assets | 7,315 | 9,661 |
| Restricted cash | 8,750 | — |
| Assets held for sale | 4,348 | — |
| Total current assets | 127,611 | 230,432 |
| | | |
| Property, plant and equipment, net | 7,230 | 13,020 |
| Operating lease right-of-use asset, net | 17,951 | 19,991 |
| Restricted cash | 2,438 | 2,688 |
| Intangible asset, net | 21,916 | 27,197 |
| Other assets | 3,573 | 973 |
| **Total assets** | **$ 180,719** | **$ 294,301** |
| | | |
| **LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)** | | |
| Current liabilities | | |
| Accounts payable and accrued expenses | $ 99,162 | $ 97,446 |
| Common stock warrant liabilities | 9,971 | 13,869 |
| Operating lease liabilities, short-term | 2,329 | 2,447 |
| Partner company term loan, short-term, net | 9,942 | — |
| Partner company convertible preferred shares, short-term, net | 3,491 | 2,052 |
| Partner company line of credit | — | 2,948 |
| Partner company installment payments - licenses, short-term, net | 2,333 | 7,235 |
| Other short-term liabilities | 1,355 | 1,718 |
| Total current liabilities | 128,583 | 127,715 |
| | | |
| Notes payable, long-term, net | 45,333 | 91,730 |
| Operating lease liabilities, long-term | 19,502 | 21,572 |
| Partner company installment payments - licenses, long-term, net | 1,490 | 1,412 |
| Other long-term liabilities | 1,754 | 1,847 |
| **Total liabilities** | **196,662** | **244,276** |
| | | |
| **Commitments and contingencies** | | |
| | | |
| **Stockholders' equity (deficit)** | | |
| Cumulative redeemable perpetual preferred stock, $0.001 par value, 15,000,000 authorized, 5,000,000 designated Series A shares, 3,427,138 shares issued and outstanding as of June 30, 2023 and December 31, 2022, respectively, liquidation value of $25.00 per share | 3 | 3 |
| Common stock, $0.001 par value, 200,000,000 shares authorized, 131,657,369 and 110,494,245 shares issued and outstanding as of June 30, 2023 and December 31, 2022, respectively | 132 | 110 |
| Common stock issuable, 39,595 and 0 shares as of June 30, 2023 and December 31, 2022 | 23 | — |
| Additional paid-in-capital | 698,897 | 675,841 |
| Accumulated deficit | (680,546) | (634,233) |
| Total stockholders' equity attributed to the Company | 18,509 | 41,721 |
| | | |
| Non-controlling interests | (34,452) | 8,304 |
| Total stockholders' equity (deficit) | (15,943) | 50,025 |
| **Total liabilities and stockholders' equity (deficit)** | **$ 180,719** | **$ 294,301** |

**FORTRESS BIOTECH, INC. AND SUBSIDIARIES**
**Unaudited Condensed Consolidated Statements of Operations**
**($ in thousands except for share and per share amounts)**

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| **Revenue** | | | | |
| Product revenue, net | $ 16,961 | $ 18,235 | $ 29,126 | $ 39,031 |
| Collaboration revenue | 183 | 577 | 364 | 1,154 |
| Revenue - related party | 31 | 18 | 66 | 70 |
| Other revenue | 211 | 56 | 259 | 2,556 |
| Net revenue | 17,386 | 18,886 | 29,815 | 42,811 |
| | | | | |
| **Operating expenses** | | | | |
| Cost of goods sold - product revenue | 7,767 | 7,633 | 14,216 | 15,836 |
| Research and development | 32,139 | 33,130 | 67,415 | 69,852 |
| Research and development - licenses acquired | 3 | 1 | 4,233 | 1 |
| Selling, general and administrative | 24,439 | 29,048 | 49,780 | 55,318 |
| Asset impairment | 3,143 | — | 3,143 | — |
| Total operating expenses | 67,491 | 69,812 | 138,787 | 141,007 |
| Loss from operations | (50,105) | (50,926) | (108,972) | (98,196) |
| | | | | |
| Other income (expense) | | | | |
| Interest income | 715 | 150 | 1,751 | 292 |
| Interest expense and financing fee | (6,425) | (3,154) | (10,721) | (5,504) |
| Change in fair value of warrant liabilities | (512) | — | 6,166 | — |
| Loss from deconsolidation of Aevitas | (3,369) | — | (3,369) | — |
| Other income | 395 | — | 699 | — |
| Total other expense | (9,196) | (3,004) | (5,474) | (5,212) |
| **Net loss** | **(59,301)** | **(53,930)** | **(114,446)** | **(103,408)** |
| | | | | |
| Net loss attributable to non-controlling interests | 34,525 | 32,574 | 68,133 | 66,292 |
| **Net loss attributable to Fortress** | **(24,776)** | **(21,356)** | **(46,313)** | **(37,116)** |
| | | | | |
| Preferred A dividends declared and paid | (2,008) | (2,008) | (4,016) | (4,016) |
| **Net loss attributable to common stockholders** | **$ (26,784)** | **$ (23,364)** | **$ (50,329)** | **$ (41,132)** |
| | | | | |
| Net loss per common share attributable to common stockholders - basic and diluted | $ (0.24) | $ (0.26) | $ (0.47) | $ (0.47) |
| | | | | |
| Weighted average common shares outstanding - basic and diluted | 110,659,985 | 88,743,457 | 106,297,241 | 87,593,952 |