

## Rafael Holdings Reports First Quarter Fiscal 2023 Financial Results

NEWARK, N.J., Dec. 13, 2022 (GLOBE NEWSWIRE) -- Rafael Holdings, Inc. (NYSE: RFL), today reported its first quarter fiscal 2023 financial results for the three months ended October 31, 2022.

"We are pleased to have successfully completed the sale of our real estate asset located in Newark NJ during the first quarter of fiscal 2023, and believe that our strong balance sheet provides us the opportunity to focus on strategic business development efforts. Our goal is to acquire, in-license or invest in clinical stage assets with the potential to achieve meaningful milestones, which, if successful, could improve the lives of patients and generate value for our shareholders," said Bill Conkling, CEO of Rafael Holdings.

### Rafael Holdings, Inc. First Quarter Fiscal Year 2023 Financial Results

As of October 31, 2022, we had cash, cash equivalents and marketable securities of \$93.8 million, which includes \$33 million in net proceeds from the sale of real estate assets on August 22, 2022.

For the three months ended October 31, 2022, we incurred a net loss from continuing operations of \$5.2 million, or \$0.22 per share, which includes \$1.2 million in non-cash stock-based compensation expense. For the same period in the prior year, we incurred a net loss from continuing operations of \$128.9 million, or \$5.88 per share, which included a \$25 million loss on the write-off of a receivable pursuant to a line of credit and \$79.1 million charge for impairment of our investment in Cornerstone Pharmaceuticals.

Research and development expenses were \$2.1 million for the three months ended October 31, 2022. For the same period in the prior year, research and development expenses were \$2.2 million.

Our general and administrative expenses from continuing operations were \$3.1 million for the three months ended October 31, 2022. For the same period in the prior year, general and administrative expenses from continuing operations were \$12.3 million. The decrease was primarily related to a decrease in non-cash stock-based compensation expense, decreased payroll and bonus expense, as well as decreases in legal and professional fees.

### About Rafael Holdings, Inc.

Rafael Holdings is a holding company with interests in clinical and early-stage pharmaceutical companies, including an investment in Cornerstone Pharmaceuticals, Inc., formerly known as Rafael Pharmaceuticals Inc., a cancer metabolism-based therapeutics company. The Company's focus is to fund, invest in and develop novel therapies and is seeking opportunities to invest, acquire or in-license additional therapeutic assets which address high unmet medical needs.

### Forward Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including without limitation statements regarding our expectations surrounding the potential, safety, efficacy, and regulatory and clinical progress of our product candidates; plans regarding the further evaluation of clinical data; and the potential of our pipeline, including our internal cancer metabolism research programs. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the following: the impact of public health threats, including COVID-19, on our business and operations; clinical trials of product candidates may not be successful; our pharmaceutical companies may not be able to develop any medicines of commercial value; our pharmaceutical companies may not be successful in their efforts to identify or discover potential product candidates; the manufacturing and manufacturing development of our products and product candidates present technological, logistical and regulatory risks, each of which may adversely affect our potential revenue; potential unforeseen events during clinical trials could cause delays or other adverse consequences; risks relating to the regulatory approval process; interim, topline and preliminary data may change as more patient data become available, and are subject to audit and verification procedures that could result in material changes in the final data; our product candidates may cause serious adverse side effects; ongoing regulatory obligations; effects of significant competition; unfavorable pricing regulations, third-party reimbursement practices or healthcare reform initiatives; product liability lawsuits; failure to attract, retain and motivate qualified personnel; the possibility of system failures or security breaches; risks relating to intellectual property and significant costs as a result of operating as a public company. These and other important factors discussed under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended July 31, 2022, and our other filings with the SEC could cause actual results to differ materially from those indicated by the forward-looking statements made in this press release. Any such forward-looking statements represent management's estimates as of the date of this press release. While we may elect to update such forward-looking statements at some point in the future, we disclaim any obligation to do so, even if subsequent events cause our views to change.

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**RAFAEL HOLDINGS, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(unaudited, in thousands, except share and per share data)

|  | October 31, 2022  | July 31, 2022     |
|--|-------------------|-------------------|
| <b>ASSETS</b>  |                   |                   |
| <b>CURRENT ASSETS</b>  |                   |                   |
| Cash and cash equivalents  | \$ 22,173         | \$ 26,537         |
| Restricted cash  | 660               | -                 |
| Available-for-sale securities  | 71,014            | 36,698            |
| Interest receivable  | 171               | 140               |
| Trade accounts receivable, net of allowance for doubtful accounts of \$242 and \$197 at October 31, 2022 and July 31, 2022, respectively   | 135               | 157               |
| Prepaid expenses and other current assets  | 768               | 4,621             |
| Assets held for sale   | -                 | 40,194            |
| Total current assets   | 94,921            | 108,347           |
| Property and equipment, net  | 1,751             | 1,770             |
| Investments - Other Pharmaceuticals  | 321               | 477               |
| Investments - Hedge Funds  | 4,637             | 4,764             |
| In-process research and development and patents  | 1,575             | 1,575             |
| Other assets   | 11                | 1,387             |
| <b>TOTAL ASSETS</b>  | <b>\$ 103,216</b> | <b>\$ 118,320</b> |
| <b>LIABILITIES AND EQUITY</b>  |                   |                   |
| <b>CURRENT LIABILITIES</b>   |                   |                   |
| Trade accounts payable   | \$ 1,394          | \$ 564            |
| Accrued expenses   | 1,602             | 1,875             |
| Other current liabilities  | 166               | 3,518             |
| Due to related parties   | 44                | 69                |
| Note payable, net of debt issuance costs   | -                 | 15,000            |
| Total current liabilities  | 3,206             | 21,026            |
| Other liabilities  | 44                | 88                |
| <b>TOTAL LIABILITIES</b>   | <b>3,250</b>      | <b>21,114</b>     |
| <b>COMMITMENTS AND CONTINGENCIES</b>   |                   |                   |
| <b>EQUITY</b>  |                   |                   |
| Class A common stock, \$0.01 par value; 35,000,000 shares authorized, 787,163 shares issued and outstanding as of October 31, 2022 and July 31, 2022, respectively   | 8                 | 8                 |
| Class B common stock, \$0.01 par value; 200,000,000 shares authorized, 23,712,449 issued and 23,685,036 outstanding as of October 31, 2022, and 23,712,449 issued and 23,687,964 outstanding as of July 31, 2022 | 237               | 237               |
| Additional paid-in capital   | 263,197           | 262,023           |
| Accumulated deficit  | (163,865)         | (165,457)         |
| Accumulated other comprehensive gain (loss) related to unrealized gain (loss) on available-for-sale securities   | 40                | (63)              |
| Accumulated other comprehensive income related to foreign currency translation adjustment  | 3,757             | 3,767             |
| Total equity attributable to Rafael Holdings, Inc.   | 103,374           | 100,515           |
| Noncontrolling interests   | (3,408)           | (3,309)           |
| <b>TOTAL EQUITY</b>  | <b>99,966</b>     | <b>97,206</b>     |
| <b>TOTAL LIABILITIES AND EQUITY</b>  | <b>\$ 103,216</b> | <b>\$ 118,320</b> |

**RAFAEL HOLDINGS, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND**  
**COMPREHENSIVE INCOME (LOSS)**  
(unaudited, in thousands, except share and per share data)

|   | Three Months Ended October 31, |            |      |            |
|---|--------------------------------|------------|------|------------|
|   | 2022                           |            | 2021 |            |
| Revenues  | \$                             | 70         | \$   | 191        |
| G&A Expenses  |                                | 3,109      |      | 12,274     |
| R&D Expenses  |                                | 2,081      |      | 2,153      |
| Depreciation and amortization   |                                | 22         |      | 19         |
| Provision for loss on receivable pursuant to line of credit   |                                | -          |      | 25,000     |
| Provision for losses on related party receivables   |                                | -          |      | 10,283     |
| Operating Loss  |                                | (5,142)    |      | (49,538)   |
| Impairment of cost method investment - Comerstone Pharmaceuticals                                     |                                | -          |      | (79,141)   |
| Unrealized (loss) gain on investments - Hedge Funds   |                                | (127)      |      | 211        |
| Impairment of investments - Other Pharmaceuticals   |                                | (156)      |      | -          |
| Interest and Other income, net  |                                | 223        |      | 175        |
| Loss before Incomes Taxes from continuing operations  |                                | (5,202)    |      | (128,293)  |
| Taxes   |                                | (5)        |      | -          |
| Equity in earnings (loss) of RP Finance   |                                | -          |      | (575)      |
| Consolidated net loss from continuing operations  |                                | (5,207)    |      | (128,868)  |
| Discontinued Operations   |                                |            |      |            |
| Loss from discontinued operations related to 520 Property   |                                | (84)       |      | (543)      |
| Gain on disposal of 520 Property  |                                | 6,784      |      | -          |
| Income (loss) from discontinued operations  |                                | 6,700      |      | (543)      |
| Net income (loss)   |                                | 1,493      |      | (129,411)  |
| Net loss attributable to noncontrolling interests   |                                | (99)       |      | (17,387)   |
| Net income (loss) attributable to Rafael Holdings, Inc.   | \$                             | 1,592      | \$   | (112,024)  |
| <u>Continuing operations loss per share</u>   |                                |            |      |            |
| Net loss from continuing operations   | \$                             | (5,207)    | \$   | (128,868)  |
| Net loss attributable to noncontrolling interests   |                                | (99)       |      | (17,387)   |
| Numerator for loss per share from continuing operations   | \$                             | (5,108)    | \$   | (111,481)  |
| <u>Discontinued operations earnings (loss) per share</u>  |                                |            |      |            |
| Net income (loss) from discontinued operations  | \$                             | 6,700      | \$   | (543)      |
| Loss per share  |                                |            |      |            |
| Continuing operations - basic and diluted   | \$                             | (0.22)     | \$   | (5.88)     |
| Discontinued operations - basic and diluted   |                                | 0.29       |      | (0.03)     |
| Total basic and diluted earnings (loss) per common share  | \$                             | 0.07       | \$   | (5.91)     |
| Weighted average number of shares used in calculation of earnings (loss) per share, basic and diluted |                                | 23,015,443 |      | 18,948,084 |

**RAFAEL**  
Holdings, Inc.

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