Oncotelic Therapeutics Announces Closing of a Strategic Monetization of Its CNS/Nasal Assets with Lunai Bioworks, Advancing Joint Development in Biodefense and Alzheimer's Disease

AGOURA HILLS, Calif., May 06, 2026 (GLOBE NEWSWIRE) -- via IBN -- Oncotelic Therapeutics, Inc. (OTCQB: OTLC) ("Oncotelic" or the "Company"), a late-stage clinical biopharmaceutical company focused on oncology and rare diseases, today announced the consummation of a strategic asset transfer agreement with Lunai Bioworks, Inc. ("LNAI") for its N2B (nose-to-brain) delivery system, establishing an initiative on biodefense and Alzheimer's disease (AD). In return, Oncotelic received $12.5 million in Lunai Bioworks Series B Convertible Preferred Stock. The Company continues to evaluate additional partnerships to further monetize its portfolio while maintaining strategic control over core assets.

Under the terms of the agreement, Oncotelic has granted Lunai Bioworks worldwide rights to the N2B delivery system IP portfolio within defined fields, specifically biodefense medical countermeasures and Alzheimer's disease only.

Strategic Highlights

- **Biodefense and Alzheimer's Initiative:** Establishes platform to advance CNS-targeted therapeutics across biodefense and Alzheimer's.
- **Direct-to-Brain Delivery:** Intranasal N2B system enables rapid therapeutic delivery, bypassing the blood-brain barrier.
- **Field-Specific Ownership:** LNAI will develop the platform within biodefense and Alzheimer's applications, while Oncotelic will develop the platform outside these fields including Parkinson's disease and sexual dysfunction.

Next-Generation AD & Biodefense Platform

The N2B delivery system represents a device-enabled therapeutic approach designed to deliver agents directly to the central nervous system, offering a potential alternative to traditional intramuscular or systemic delivery methods. By bypassing the blood-brain barrier, the platform enables faster onset of action and improved targeting of neurological pathways critical in both acute biodefense scenarios and chronic neurodegenerative diseases.

This approach is particularly relevant for medical countermeasures against chemical, biological, and viral threats, where rapid CNS intervention can significantly impact survival and long-term neurological outcomes. The technology is particularly well aligned with Department of War interests in traumatic brain injury (TBI), acute neuroprotection, chemical and biological threat countermeasures, pain management, and neurodegenerative conditions impacting service members and veterans.

Leveraging Proven Biodefense Expertise

The collaboration draws on Oncotelic's deep experience in biodefense and CNS therapeutics:

- **Dr. Vuong Trieu (CEO)** has led BARDA-supported program advancing therapies for COVID-related conditions
- **Michael French (Head of Business Development)** brings U.S. Army Medical Intelligence experience in chemical and biological threat environments
- **Steve King (Board Member)** previously led DTRA-funded biodefense programs focused on antiviral platforms

This combined expertise integrates clinical development, biodefense strategy, and operational deployment readiness, supporting both government-funded opportunities and commercial CNS applications.

Transaction Overview

- **Consideration:** $12.5 million in Lunai Bioworks Series B Convertible Preferred Stock
- **Structure:** Field-specific IP assignment for N2B delivery system
- **Indications:** Biodefense (medical countermeasures) and Alzheimer's disease

Strategic Outlook

Management believes this collaboration positions Oncotelic to:

- Participate in biodefense funding initiatives (e.g., BARDA, DOD)
- Advance rapid-response CNS therapeutic frameworks
- Expand into large and growing neurodegenerative disease markets

About Oncotelic Therapeutics, Inc.
Oncotelic Therapeutics, Inc. is a clinical-stage biopharmaceutical company focused on the development of oncology and immunotherapy products. The Company's mission is to address high-unmet-need cancers and rare pediatric indications with innovative, late-stage therapeutic candidates.

In addition to its directly owned and developed drug pipeline, Oncotelic benefits from a robust portfolio of inventions created by its CEO, Dr. Vuong Trieu, who has filed over 500 patent applications and holds 75 issued patents. The Company also leverages its proprietary AI-enabled PDAOAI platform, which supports research, biomarker discovery, and regulatory processes through advanced data analysis and knowledge integration.

Beyond its internal programs, Oncotelic licenses and co-develops select drug candidates through strategic partnerships and joint ventures. The Company

currently owns a 45% interest in GMP Bio, a joint venture advancing a complementary pipeline of therapeutic candidates that further strengthens Oncotelic's position in oncology and rare disease therapeutics.

For more information, please visit: www.oncotelic.com

Oncotelic Cautionary Note on Forward Looking Statements

This press release contains forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements in this release other than statements of historical fact are forward looking and are based on current expectations, estimates, and projections about our business and future plans. In some cases, you can identify forward looking statements by terms such as "may," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "project," "forecast," "potential," "continue," and similar expressions (including the negative of such terms).

Forward looking statements in this release include, without limitation: our plans, timelines, and priorities for the OT 101 program in PDAC and other indications; potential biomarker driven development strategies; the advancement, scope, timing, and results of current or future preclinical and clinical studies; regulatory interactions and potential approvals; development or commercialization of any product candidates within the Oncotelic/GMP Bio/Sapu ecosystem; the utility of our PDAOAI platform; future financings, strategic transactions, and/or public offerings involving our joint ventures or affiliates; and other statements that are not historical facts. Actual results may differ materially from those indicated by such forward looking statements as a result of various important factors, including, but not limited to: the inherent uncertainties of drug discovery and development; our ability to enroll patients and complete studies on expected timelines; whether preclinical or early clinical findings (including biomarker associations) will be replicated in larger, controlled trials; regulatory developments in the United States and other jurisdictions; competitive developments; our ability to obtain or maintain intellectual property protection; our liquidity and access to capital; the performance of collaborators, suppliers, and manufacturers; and other risks described in our filings with the Securities and Exchange Commission (SEC), including the "Risk Factors" section of our most recent Form 10 K and subsequent periodic reports.

Forward looking statements speak only as of the date of this press release, and we undertake no obligation to update or revise such statements, whether as a result of new information, future events, or otherwise, except as required by law.

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