

**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): November 8, 2022

AADI BIOSCIENCE, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-38560
(Commission
File Number)

61-1547850
(I.R.S. Employer
Identification No.)

17383 Sunset Boulevard, Suite A250
Pacific Palisades, California
(Address of principal executive offices)

90272
(Zip code)

Registrant's telephone number, including area code: (424) 744-8055

(Former name or former address, if changed since last report.)

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 (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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, par value \$0.0001 per share	AADI	The Nasdaq Stock Market LLC

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).

Emerging growth company

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 November 9, 2022, Aadi Bioscience, Inc. (the “**Company**”) issued a press release announcing its financial results for the fiscal quarter ended September 30, 2022. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

All of the information furnished in this Item 2.02 and Item 9.01 (including Exhibit 99.1) shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On November 8, 2022, the Company announced the appointment of Neil Desai, founder, director, President and Chief Executive Officer of the Company, to Executive Chairman of the Company and Brendan Delaney, Chief Operating Officer, to President and Chief Executive Officer of the Company, effective as of January 1, 2023 (the “**Effective Date**”). Dr. Desai will continue to serve on the board of directors of the Company (the “**Board**”) and Mr. Delaney will be removed as the Company’s Chief Operating Officer, effective as of the Effective Date.

On November 8, 2022, the Company issued a press release announcing the appointment of Dr. Desai as Executive Chairman and Mr. Delaney as President and Chief Executive Officer of the Company, effective as of the Effective Date. A copy of the press release announcing such information is furnished herewith as Exhibit 99.2.

Increase in Board Size; Appointment of Brendan Delaney to Board Effective January 1, 2023

On November 8, 2022, the Board increased the Board’s size from seven (7) to eight (8) directors and elected Mr. Delaney to fill the resulting vacancy, effective as of the Effective Date. Mr. Delaney was appointed as a Class II director and Mr. Delaney’s term of office will expire at the Company’s 2025 annual meeting of stockholders or until his successor is duly elected and qualified.

Brendan Delaney Employment Agreement

In connection with Mr. Delaney’s appointment to President and Chief Executive Officer of the Company, on November 8, 2022, the Company entered into an Amended and Restated Executive Employment Agreement (the “**Delaney Employment Agreement**”) with Mr. Delaney, effective as of the Effective Date. Pursuant to the terms of the Delaney Employment Agreement, Mr. Delaney will receive an annual base salary of \$624,000 and will be eligible to receive an annual bonus of up to 60% of his annual base salary upon achievement of performance objectives to be determined by the Board or its authorized committee in its sole discretion, with reasonable input from Mr. Delaney. Mr. Delaney will be eligible to participate in employee benefit plans generally available to other senior executives of the Company.

In connection with his appointment and pursuant to the Delaney Employment Agreement, the compensation committee of the Board (the “**Compensation Committee**”) approved a grant of an option (the “**Delaney Option**”) to purchase 150,000 shares of the common stock, par value \$0.0001 per share, of the Company (“**Common Stock**”) under the Company’s 2021 Equity Incentive Plan (the “**Plan**”), effective as of the Effective Date. The Delaney Option will have an exercise price equal to the closing price of the Company’s Common Stock in trading on the Nasdaq Capital Market (“**Nasdaq**”) on the first trading day following the Effective Date. The shares of Common Stock subject to the Delaney Option will vest as to 25% on January 1, 2024, and 1/48th of the total shares of Common Stock subject to the Delaney Option will vest on the 1st of each month thereafter, so that the Delaney Option will be fully vested on the four year anniversary of the Effective Date, subject to Mr. Delaney continuing to provide services to the Company through the relevant vesting dates.

The Delaney Employment Agreement further provides that if, outside of the Change of Control Period (as defined in the Delaney Employment Agreement), Mr. Delaney’s employment is terminated by the Company other than for Cause (as defined in the Delaney Employment Agreement), death or Disability (as defined in the Delaney Employment Agreement) or Mr. Delaney resigns for Good Reason (as defined in the Delaney Employment Agreement), Mr. Delaney will be entitled to receive: (i) continuing payments of severance pay for a period of eighteen (18) months at a rate equal to (A) one hundred and fifty percent (150%) of his base salary, as then in effect, divided by (B) 18, and (ii) if he elects continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“**COBRA**”) within the time period prescribed

pursuant to COBRA for himself and his eligible dependents, then the Company will reimburse Mr. Delaney for the COBRA premiums for such coverage (at the coverage levels in effect immediately prior to Mr. Delaney's termination) until the earlier of (A) a period of eighteen (18) months from the date of termination or (B) the date upon which Mr. Delaney and/or Mr. Delaney's eligible dependents are no longer eligible for COBRA continuation coverage. If, within the Change of Control Period, Mr. Delaney's employment is terminated by the Company other than for Cause, death or Disability or Mr. Delaney resigns for Good Reason, Mr. Delaney will be entitled to receive: (i) a lump sum payment equal to one hundred and fifty percent (150%) of the sum of: (A) his base salary, as then in effect, or if greater, at the level in effect immediately prior to the Change of Control, *plus* (B) his target bonus in effect for the fiscal year in which his termination of employment occurs, (ii) if he elects continuation coverage pursuant to COBRA within the time period prescribed pursuant to COBRA for himself and his eligible dependents, then the Company will reimburse Mr. Delaney for the COBRA premiums for such coverage (at the coverage levels in effect immediately prior to Mr. Delaney's termination) until the earlier of (A) a period of eighteen (18) months from the date of termination or (B) the date upon which Mr. Delaney and/or Mr. Delaney's eligible dependents are no longer eligible for COBRA continuation coverage, and (iii) accelerated vesting as to one hundred percent (100%) of Mr. Delaney's then outstanding and unvested equity awards to acquire Common Stock.

Payment of any severance payments to Mr. Delaney pursuant to the Delaney Employment Agreement is contingent on his execution and not revoking a separation agreement and release of claims in a form reasonably satisfactory to the Company (the "**Delaney Release**"), and provided that such Delaney Release becomes effective and irrevocable no later than sixty (60) days following the termination date.

Mr. Delaney, age 48, has served as the Company's Chief Operating Officer since September 2021. Prior to joining the Company, Mr. Delaney served as the Chief Commercial Officer of Constellation Pharmaceuticals, Inc., a clinical-stage biopharmaceutical company that was acquired by MorphoSys for \$1.4 billion, from January 2021 to September 2021. From November 2017 to January 2021, Mr. Delaney served as the Chief Commercial Officer of Immunomedics, Inc., a biotechnology company. Mr. Delaney was employed at Celgene Corporation, now a wholly-owned subsidiary of Bristol Myers Squibb Company, from March 2011 to November 2017, where he most recently served as Vice President, US Commercial Hematology/Oncology. Mr. Delaney's prior roles at Celgene Corporation include Vice President, Global Marketing, Hematology and Executive Director, Global Marketing, Multiple Myeloma Franchise. Before joining Celgene in 2011, Mr. Delaney was the Director of the Global Chronic Myeloid Leukemia (CML) Franchise at Novartis Oncology, a healthcare company. From 2006 to 2011, Brendan held a variety of commercial positions at Novartis Oncology, including serving as U.S. Marketing Lead for the launch of Afinitor in Renal Cell Carcinoma. Mr. Delaney currently serves on the board of directors of BeyondSpring Pharmaceuticals, Inc. (NASDAQ: BYSI). Mr. Delaney received his B.S. in biological sciences from Rutgers University and his M.B.A. in finance from The Stern School of Business at New York University.

Mr. Delaney purchased 20,000 shares of the Company's common stock (for a purchase price of \$250,000) in a private placement transaction that closed on September 26, 2022 (the "PIPE Financing"). Mr. Delaney's transaction was on the same terms as the other investors who purchased shares in the PIPE Financing pursuant to the Securities Purchase Agreement dated September 22, 2022.

Mr. Delaney has no family relationships with any of the Company's directors or executive officers, and he has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K, other than the above PIPE Financing transaction. Other than as described in this Current Report on Form 8-K, there are no arrangements or understandings between Mr. Delaney and any other persons pursuant to which he was appointed as the President and Chief Executive Officer or as a director of the Company.

Neil Desai Employment Agreement

In connection with Dr. Desai's appointment to Executive Chairman of the Company, on November 8, 2022, the Company entered into an Amended and Restated Executive Employment Agreement (the "**Desai Employment Agreement**") with Dr. Desai, effective as of the Effective Date. Pursuant to the terms of the Desai Employment Agreement, Dr. Desai will receive an annual base salary of \$624,000 and will be eligible to receive an annual bonus with a target amount equal to 60% of his annual base salary upon achievement of performance objectives to be determined by the Board or its authorized committee in its sole discretion. Dr. Desai will be eligible to participate in employee benefit plans generally available to other senior executives of the Company.

In connection with his appointment and pursuant to the Desai Employment Agreement, the Compensation Committee approved a grant of an option (the "**Desai Option**") to purchase 150,000 shares of Common Stock under the Plan, effective as of the Effective Date. The Desai Option will have an exercise price equal to the closing price of the Company's Common Stock in trading on the Nasdaq on the first trading day following the Effective Date. The shares of Common Stock subject to the Desai Option will vest as to 25% on January 1, 2024, and 1/48th of the total shares of Common Stock subject to the Desai Option will vest on the 1st of each month thereafter, so that the Desai Option will be fully vested on the four year anniversary of the Effective Date, subject to Dr. Desai continuing to provide services to the Company through the relevant vesting dates.

The Desai Employment Agreement provides that if, outside of the Change of Control Period (as defined in the Desai Employment Agreement), Dr. Desai's employment is terminated by the Company other than for Cause (as defined in the Desai Employment Agreement), death or Disability (as defined in the Desai Employment Agreement) or Dr. Desai resigns for Good Reason (as defined in the Desai Employment Agreement), Dr. Desai will be entitled to receive: (i) continuing payments of severance pay for a period of eighteen (18) months equal to an amount each month equal to the sum of (A)(x) one hundred and fifty percent (150%) of his base salary, as then in effect, plus (y) one hundred and fifty percent (150%) of the sum of all performance bonuses paid to Dr. Desai for the Company's fiscal year immediately preceding the fiscal year in which Dr. Desai's termination of employment occurs, divided by (B) 18, (ii) if he elects continuation coverage pursuant to COBRA within the time period prescribed pursuant to COBRA for himself and his eligible dependents, then the Company will reimburse Dr. Desai for the COBRA premiums for such coverage (at the coverage levels in effect immediately prior to Dr. Desai's termination) until the earlier of (A) a period of eighteen (18) months from the date of termination or (B) the date upon which Dr. Desai and/or Dr. Desai's eligible dependents are no longer eligible for COBRA continuation coverage, (iii) Dr. Desai's outstanding and unvested equity awards subject solely to service-based vesting will accelerate vesting as to the number of shares of Common Stock subject to such awards that would have otherwise vested had Dr. Desai continued to be employed by the Company for an additional eighteen (18) months following termination of Dr. Desai's employment, (iv) Dr. Desai's outstanding stock option awards will remain exercisable until the earlier of (a) twelve (12) months following the date of Dr. Desai's termination of employment or (b) the expiration of the term of such Company stock option award set forth in the applicable stock option agreement, and (v) the Company will pay Dr. Desai (x) a pro rata annual bonus for the year in which such termination occurs based on actual performance (but treating all individual performance goals, if any, as achieved at target levels) (the "**Pro Rata Bonus**"), and (y) any earned but unpaid annual bonus for a performance year that ended prior to the date of termination (the "**Prior Year Bonus**"). If, within the Change of Control Period, Dr. Desai's employment is terminated by the Company other than for Cause, death or Disability or Dr. Desai resigns for Good Reason, Dr. Desai will be entitled to receive: (i) a lump sum payment equal to one hundred and fifty percent (150%) of the sum of: (A) his base salary, as then in effect, or if greater, at the level in effect immediately prior to the Change of Control, *plus* (B) his target bonus in effect for the fiscal year in which his termination of employment occurs, (ii) if he elects continuation coverage pursuant to COBRA within the time period prescribed pursuant to COBRA for himself and his eligible dependents, then the Company will reimburse Dr. Desai for the COBRA premiums for such coverage (at the coverage levels in effect immediately prior to Dr. Desai's termination) until the earlier of (A) a period of eighteen (18) months from the date of termination or (B) the date upon which Dr. Desai and/or Dr. Desai's eligible dependents are no longer eligible for COBRA continuation coverage, (iii) accelerated vesting as to one hundred percent of Dr. Desai's then outstanding and unvested equity awards to acquire Common Stock, (iv) Dr. Desai's outstanding stock option awards will remain exercisable until the earlier of (a) twelve (12) months following the date of Dr. Desai's termination of employment or (b) the expiration of the term of such Company stock option award set forth in the applicable stock option agreement, and (v) the Company will pay Dr. Desai (x) the Pro Rata Bonus and (y) any applicable Prior Year Bonus.

Payment of any severance payments to Dr. Desai pursuant to the Desai Employment Agreement is contingent on his execution and not revoking a separation agreement and release of claims in a form reasonably satisfactory to the Company (the "**Desai Release**"), and provided that such Desai Release becomes effective and irrevocable no later than sixty (60) days following the termination date.

The foregoing description of the material terms of the Delaney Employment Agreement and the Desai Employment Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Delaney Employment Agreement and the Desai Employment Agreement, which will be filed as exhibits in a subsequent periodic report of the Company to be filed under the Exchange Act.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, dated November 9, 2022
99.2	Press Release, dated November 8, 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

Dated: November 9, 2022

/s/ Neil Desai, Ph.D.

Neil Desai, Ph.D.

President and Chief Executive Officer



Aadi Bioscience Announces Financial Results for the Third Quarter of 2022 and Provides Corporate Update

Completed \$72.5 million PIPE financing extending cash runway into 2025

PRECISION 1 trial on-track with preliminary data expected in the first half of 2023

24% revenue growth of FYARRO® (nab-sirolimus) over the second quarter 2022

Appointment of Neil Desai to Executive Chairman and transition of Brendan Delaney to CEO effective January 1, 2023

Conference call to be held today at 8:30 am ET

LOS ANGELES, CA, November 9, 2022 – Aadi Bioscience, Inc. (NASDAQ: AADI), a biopharmaceutical company focused on developing and commercializing precision therapies for genetically defined cancers with alterations in mTOR pathway genes, today provided a corporate update and announced financial results for the third quarter of 2022.

“The last several months have been transformational for Aadi, most recently having strengthened our balance sheet with a \$72.5 million PIPE financing. In addition, we saw continued progress in patient enrollment for the PRECISION 1 trial targeting *TSC1* and *TSC2* inactivating alterations, and we anticipate providing preliminary data on a meaningful number of patients from PRECISION 1 in the first half of 2023,” said Neil Desai, Ph.D., Founder and Chief Executive Officer of Aadi. “We also expanded our pipeline through the recent clinical collaboration with Mirati to explore the combination of *nab-sirolimus* with the KRAS inhibitor *adagrasib*, which we believe could potentially overcome tumor resistance.”

“We have made great progress in the last year, positioning us well for the next phase of growth. In preparation for the advancements to come, we are also realigning our management structure. We announced last evening that I am moving into the role of Executive Chairman while our current COO, Brendan Delaney, will transition to President and CEO,” continued Desai. “Brendan’s proven expertise, committed leadership and broad strategic vision have been key drivers of our success. Going forward, Brendan will assume leadership of the Company while my personal focus will turn toward advancement of our scientific initiatives.”

Brendan Delaney, current Chief Operating Officer of Aadi commented, “It’s such an exciting time at Aadi, and I couldn’t be more pleased with the execution our team has demonstrated. I am honored to have been selected to lead this organization as we move forward and execute on the strategies that will support further growth. Our oncology franchise is growing, and I believe we are well-positioned to achieve our goal of becoming a leading precision oncology company that delivers on providing therapeutic benefit to patients in need.”

Corporate Updates for the Third Quarter 2022 and Recent Highlights

- **Closed on a \$72.5M financing and extended cash runway into 2025.** The proceeds from the financing will be used to support the continued advancement of the PRECISION 1 trial and growing FYARRO commercial efforts, and to fund research and development of additional clinical opportunities with FYARRO and for working capital and general corporate purposes.
- **Continued advancement of the PRECISION 1 registrational-directed trial.** The PRECISION 1 Phase 2 trial in patients with tumor agnostic TSC 1 and 2 inactivating mutations is advancing and on track to deliver preliminary data in the first half of 2023.
- **Grew FYARRO net product sales.** For the three months ended September 30, 2022, net product sales of FYARRO showed continued growth, ending with \$4.2 million in sales in the third quarter, a 24% increase over the second quarter.
- **Leadership transition.** Current CEO, Dr. Neil Desai, has been appointed Executive Chairman, effective January 1, 2023. Current COO, Brendan Delaney, will transition to President and CEO, and will be joining the board of directors, effective January 1, 2023.
- **Signed a clinical collaboration agreement with Mirati Therapeutics on combination of adagrasib with nab-sirolimus.** The companies will conduct an open-label Phase 1/2 trial to determine the optimal dose and recommended Phase 2 dose for the combination of adagrasib and nab-sirolimus in patients with KRAS^{G12C} - mutant solid tumors. The trial builds on preclinical data showing enhanced anti-tumor efficacy with the combination of adagrasib and nab-sirolimus relative to either agent alone. Initiation of the Phase 1/2 trial is expected in the first half of 2023.
- **Presented combination data of KRAS inhibitors and nab-sirolimus at the 34th EORTC-NCI-AACR Symposium.** The results of these studies showed that combining nab-sirolimus with either of the KRAS^{G12C} inhibitors sotorasib or adagrasib significantly improved response against KRAS^{G12C} mutant lung cancer and bladder cancer tumors *in vivo* and nab-sirolimus also showed significantly greater potency in the combination compared to everolimus.

Third Quarter 2022 Financial Results

- Cash, cash equivalents and short-term investments as of September 30, 2022 were \$183.0 million as compared to \$149.0 million as of December 31, 2021, which the Company expects to fund operations into 2025 based on current plans.
- Total revenue for the quarter ended September 30, 2022 was \$4.2 million resulting from sales of FYARRO.
- Net loss for the three months ended September 30, 2022 was \$14.5 million as compared to \$87.1 million for the three months ended September 30, 2021. The prior year quarter included the non-cash impairment charge of \$74.2 million related to the acquired contract intangible asset incurred in conjunction with the Aerpio merger.

Conference Call Information

The Aadi management team is hosting a conference call and webcast today at 8:30 am ET (5:30 am PT) to provide a corporate update and discuss results for the third quarter of 2022.

Participants may access a live webcast of the call on the “Investors & News” page of the Aadi Biosciences website at aadibio.com. To participate via telephone, please register in advance at this link. Upon registration, all telephone participants will receive a confirmation email detailing how to join the conference call, including the dial-in number along with a unique passcode and registrant ID that can be used to access the call. A replay of the conference call and webcast will be archived on the Company’s website for at least 30 days.

About FYARRO®

FYARRO is an mTOR inhibitor indicated for the treatment of adult patients with locally advanced unresectable or metastatic malignant perivascular epithelioid cell tumor (PEComa).

About the PRECISION 1 Trial

The PRECISION 1 trial is a multi-center, open-label, tumor-agnostic pivotal study, of *nab*-sirolimus designed as a basket trial that will evaluate approximately 120 adult and adolescent patients with solid tumors harboring pathogenic inactivating alterations in *TSC1* or *TSC2* genes. The trial will have two independent arms of 60 patients each to separately evaluate patients with either *TSC1* or *TSC2* inactivating alterations. Aadi has received Fast Track designation to evaluate *nab*-sirolimus in this indication from the FDA. The first patient in the PRECISION 1 trial was dosed in March 2022.

About Aadi Bioscience

Aadi is a commercial-stage biopharmaceutical company focused on precision therapies for genetically defined cancers to bring transformational therapies to cancer patients with mTOR pathway driver alterations. Aadi received FDA approval in November of 2021 and in February of 2022 commercialized FYARRO® for the treatment of adult patients with locally advanced unresectable or metastatic malignant perivascular epithelioid cell tumor (PEComa).

Aadi has also initiated PRECISION 1, a Phase 2 tumor-agnostic registration-intended trial in mTOR inhibitor-naïve malignant solid tumors harboring *TSC1* or *TSC2* inactivating alterations. More information on the Company’s development pipeline is available on the Aadi website at www.aadibio.com and connect with us on [Twitter](#) and [LinkedIn](#).

Forward-Looking Statements

This press release contains certain forward-looking statements regarding the business of Aadi Biosciences that are not a description of historical facts within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements regarding the Company’s current beliefs and expectations; the Company’s anticipated growth; plans and potential for success relating to commercializing FYARRO; expectations regarding the beneficial characteristics, safety, efficacy and therapeutic effects of FYARRO; expectations regarding management’s performance; plans related to further development and manufacturing of FYARRO; pricing and reimbursement of FYARRO; the rate and degree of market acceptance of FYARRO; anticipated reception of FYARRO in the physician community; the clinical results and timing of additional clinical trials, including the registration-directed

trial in patients harboring *TSC1* or *TSC2* inactivating alterations; the timing and likelihood of regulatory filings and approvals of FYARRO, including in potential additional indications and potential filings in additional jurisdictions; plans regarding clinical trials, in collaboration with Mirati Therapeutics, for the combination of adagrasib and nab-sirolimus in patients with KRASG12C-mutant tumors and related timing and expectations regarding the efficacy of the combination; and the sufficiency of our existing capital resources and the expected timeframe to fund our future operating expenses and capital expenditure requirements. Actual results could differ materially from those anticipated in such forward-looking statements as a result of these risks and uncertainties, which include, without limitation, those associated with the ability to successfully commercialize FYARRO; risks related to reimbursement and pricing of FYARRO; uncertainties associated with the clinical development and regulatory approval of FYARRO in additional indications, including potential delays in the commencement, enrollment and completion of clinical trials for additional indications; the risk that unforeseen adverse reactions or side effects may occur in the course of commercializing, developing and testing FYARRO; risks associated with the failure to realize any value from FYARRO in light of inherent risks and difficulties involved in successfully bringing product candidates to market; risks related to Aadi's estimates regarding future expenses, capital requirements and need for additional financing; and risks related to the impact of the COVID-19 pandemic on Aadi's operations, the biotechnology industry and the economy generally.

Additional risks and uncertainties that could cause actual outcomes and results to differ materially from those contemplated by the forward-looking statements are included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, including under the caption "Item 1A. Risk Factors," and in Aadi's subsequent Quarterly Reports on Form 10-Q filed on May 12, 2022, August 10, 2022 and November 9, 2022, and elsewhere in Aadi's reports and other documents that Aadi has filed, or will file, with the SEC from time to time and available at www.sec.gov.

All forward-looking statements in this press release are current only as of the date hereof and, except as required by applicable law, Aadi undertakes no obligation to revise or update any forward-looking statement, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise. All forward-looking statements are qualified in their entirety by this cautionary statement. This cautionary statement is made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995

Contact:

Marcy Graham
IR@aadibio.com

AADI BIOSCIENCE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

	September 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 134,815	\$ 148,989
Short-term investments	48,192	—
Accounts receivable, net	2,261	—
Inventory	734	—
Prepaid expenses and other current assets	3,861	2,283
Total current assets	189,863	151,272
Property and equipment, net	457	57
Operating lease right-of-use assets	1,573	557
Intangible asset, net	—	3,811
Other assets	2,210	2,213
Total assets	\$ 194,103	\$ 157,910
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 3,920	\$ 6,439
Accrued liabilities	13,597	8,703
Operating lease liabilities, current portion	374	131
Total current liabilities	17,891	15,273
Operating lease liabilities, net of current portion	1,347	474
Due to licensor	5,757	5,757
Total liabilities	24,995	21,504
Stockholders' equity:		
Preferred stock	—	—
Common stock	2	2
Additional paid-in capital	358,490	279,089
Accumulated other comprehensive loss	(99)	—
Accumulated deficit	(189,285)	(142,685)
Total stockholders' equity	169,108	136,406
Total liabilities and stockholders' equity	\$ 194,103	\$ 157,910

AADI BIOSCIENCE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(In thousands, except shares and earnings per share amounts)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Revenue				
Product sales, net	\$ 4,245	\$ —	\$ 9,989	\$ —
Grant revenue		—	—	120
Total Revenue	<u>4,245</u>	<u>—</u>	<u>9,989</u>	<u>120</u>
Operating expenses				
Selling, general and administrative	9,915	7,401	29,069	8,793
Research and development	8,773	5,754	23,292	12,443
Cost of goods sold	593	—	1,113	—
Impairment of intangible asset	—	74,156	3,724	74,156
Total operating expenses	<u>19,281</u>	<u>87,311</u>	<u>57,198</u>	<u>95,392</u>
Loss from operations	<u>(15,036)</u>	<u>(87,311)</u>	<u>(47,209)</u>	<u>(95,272)</u>
Other income (expense)				
Change in fair value of convertible promissory notes	—	380	—	1,585
Gain upon extinguishment of debt	—	—	—	196
Interest income	620	—	791	1
Interest expense	(58)	(157)	(173)	(608)
Total other income, net	<u>562</u>	<u>223</u>	<u>618</u>	<u>1,174</u>
Loss before income tax expense	<u>(14,474)</u>	<u>(87,088)</u>	<u>(46,591)</u>	<u>(94,098)</u>
Income tax expense	—	—	(9)	(2)
Net loss	<u>(14,474)</u>	<u>(87,088)</u>	<u>(46,600)</u>	<u>(94,100)</u>
Other comprehensive loss				
Change in unrealized loss on short-term investments	(99)	—	(99)	—
Comprehensive loss	<u>\$ (14,573)</u>	<u>\$ (87,088)</u>	<u>\$ (46,699)</u>	<u>\$ (94,100)</u>
Net loss per share attributable to common stockholders, basic and diluted	<u>\$ (0.68)</u>	<u>\$ (9.17)</u>	<u>\$ (2.21)</u>	<u>\$ (19.37)</u>
Weighted average number of common shares outstanding used in computing net loss per share attributable to common stockholders, basic and diluted	<u>21,269,163</u>	<u>9,510,379</u>	<u>21,052,786</u>	<u>4,890,556</u>

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Aadi Bioscience Announces Planned Leadership Transition

LOS ANGELES, CA, November 8, 2022 – Aadi Bioscience, Inc. (NASDAQ: AADI), a commercial-stage biopharmaceutical company focused on precision therapies for genetically-defined cancers with alterations in mTOR pathway genes, today announced the appointment of Neil Desai, Founder, President and CEO to Executive Chairman and Brendan Delaney, Chief Operating Officer, to President and CEO, effective as of January 1, 2023.

“I have had the opportunity to work with Brendan since he joined Aadi as Chief Operating Officer in September 2021. Since that time his expertise and leadership have been instrumental in building the organization in preparation for the growth that lies ahead,” said Neil Desai, Ph.D., Founder, President and Chief Executive Officer of Aadi Bioscience. “In a period of little over a year, we have evolved into a commercial stage company with the approved product FYARRO® for advanced malignant PEComa, have launched a new tumor agnostic registration trial PRECISION 1 with a potentially large cancer indication, are adequately financed through key long-term milestones and have put in place a stellar management team. This is a perfect time for this transition. Going forward, Brendan will assume leadership of the Company as we continue to gain momentum on all of these fronts. I will continue to serve on the board of directors and steer the advancement of our scientific initiatives.”

Dr. Desai is the founder of Aadi Bioscience and has served as its President and CEO since 2011. He is the inventor of *nab* technology and the mTOR inhibitor *nab-sirolimus* (FYARRO) and helped guide the organization through the drug development process leading to approval of FYARRO, the first FDA approved therapy for advanced malignant perivascular epithelioid cell tumor (PEComa). The Company raised \$155M concurrent with a public listing in August 2021 and since that time, has grown to more than 80 employees including the recruitment of a top-notch leadership team. He has helped to guide the organization through the inaugural commercialization of FYARRO for advanced malignant PEComa, and the launch of the PRECISION 1 tumor-agnostic trial targeting *TSC1* and *TSC2* inactivating alterations. Most recently, following completion of a \$72.5 million financing in September 2022, the Company launched a new clinical collaboration exploring the potential of the combination of *nab-sirolimus* with a KRAS inhibitor in NSCLC and other cancers.

“It truly is an honor to take on this leadership role here at Aadi and I am very excited to continue working with Neil and the entire team as the CEO. I look forward to what we can accomplish together heading into our next phase of growth and as we look toward the potential launch of FYARRO in the substantially larger tumor agnostic oncology indication,” said Brendan Delaney, Aadi’s current COO. “We have an amazing team in place who will ensure continued execution on our commercial progress, advancing our PRECISION 1 trial and further exploring additional clinical opportunities for FYARRO, and it’s exciting to consider the potential we have as a leading precision oncology company in the future.”

Prior to joining Aadi in September 2021, Mr. Delaney served as the Chief Commercial Officer (CCO) of Constellation Pharma which was acquired by MorphoSys for \$1.7 billion. Prior to joining Constellation, Mr. Delaney was the CCO at Immunomedics, where he led the buildout of the marketing, sales, market access, and commercial operations teams. He was instrumental in successfully launching Trodelvy, the

first TROP-2 directed antibody-drug conjugate for the treatment of triple-negative breast cancer. Immunomedics was acquired by Gilead Sciences for \$21 billion in September 2020. Previously, he served as the head of U.S. hematology and oncology at Celgene Corporation, where he managed portfolio brands including Revlimid, Pomalyst and Abraxane. Prior to joining Celgene, he held various commercial roles at both Novartis Oncology and Genentech, where he led several successful product launches for blockbuster brands. He earned an MBA from the Stern School of Business at NYU and a BS in biology from Rutgers University.

Both Dr. Desai and Mr. Delaney will serve on the Company's board of directors after the transition.

About Aadi Bioscience

Aadi is a commercial-stage biopharmaceutical company focused on precision therapies for genetically defined cancers to bring transformational therapies to cancer patients with mTOR pathway driver alterations. Aadi received FDA approval and has commercialized FYARRO® for the treatment of adult patients with locally advanced unresectable or metastatic malignant perivascular epithelioid cell tumor (PEComa).

Aadi has also initiated PRECISION 1, a Phase 2 tumor-agnostic registration-intended trial in mTOR inhibitor-naïve malignant solid tumors harboring *TSC1* or *TSC2* inactivating alterations. More information on the Company's development pipeline is available on the Aadi website at www.aadibio.com and connect with us on [Twitter](#) and [LinkedIn](#).

Forward-Looking Statements

This press release contains certain forward-looking statements regarding the business of Aadi Biosciences that are not a description of historical facts within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements regarding the Company's current beliefs and expectations; anticipated future growth; the potential commercialization of FYARRO in the tumor agnostic oncology market; expectations regarding management performance following the leadership transition; and the Company's potential as a commercial precision oncology company. Actual results could differ materially from those anticipated in such forward-looking statements as a result of these risks and uncertainties, which include, without limitation, those associated with uncertainties associated with the clinical development and regulatory approval of FYARRO in additional indications, including potential delays in the commencement, enrollment and completion of clinical trials for additional indications; the risk that unforeseen adverse reactions or side effects may occur in the course of commercializing, developing and testing FYARRO; and risks related to collaborations with third-parties.

Additional risks and uncertainties that could cause actual outcomes and results to differ materially from those contemplated by the forward-looking statements are included in Aadi's Quarterly Report on Form 10-Q filed on August 10, 2022, and elsewhere in Aadi's reports and other documents that Aadi has filed, or will file, with the SEC from time to time and available at www.sec.gov.

All forward-looking statements in this press release are current only as of the date hereof and, except as required by applicable law, Aadi undertakes no obligation to revise or update any forward-looking statement, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise. All forward-looking statements are qualified in their entirety by this cautionary statement. This cautionary statement is made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

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