

Investor Call Transcript 01 21 2020

Operator: Good day, and welcome to the GenereX Biotechnology Announces Investor Conference Call.

Currently, all phone lines are in a listen-only mode. Later, there'll be an opportunity to ask questions during a Q&A session. You may register to ask a question at any time by pressing the \* and 1 on your Touchtone phone.

Please, be advised today's program may be recorded.

It is now my pleasure to turn the program over to Chief Legal Counsel, Mr. Anthony Crisci. You may begin, sir.

Anthony Crisci: Hello, everyone. Forward-looking statements included in this presentation are made pursuant to the Safe Harbor provisions of the Privacy, Securities, Litigation Reform Act of 1995. These statements relate to future events, or to our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activities, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

In some cases, you can identify forward-looking statements by the use of words such as "may", "could", "expect", "intend", "plan", "seek", "anticipate", "believe", "estimate", "predict", "potential" or "continue", or the negative of these terms or other comparable terminology.

You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties, and other factors that are in some cases beyond our control, and that could materially affect actual results, levels of activity, performance or achievements. A more detailed description of these and other risks and uncertainties may be found in our annual report on Form 10-K and other public filings with the Securities and Exchange Commission.

If any of these results or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from what we projected.

And any forward-looking statements you read in this presentation reflect our current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to our obligations, operations, results of operations, growth strategy, and liquidity.

We assume no obligation to publicly update or revise these forward-looking statements for any reason, whether as a result of new information, future events or otherwise.

Now, I'd like to turn over the call to Joe Moscato, President and Chief Executive Officer of Generex Biotechnology Corporation.

Joe:

Good morning and thank you all for joining today's call. There's a lot to cover today, and of course, I would like to answer everyone's questions at the end of my thorough review. The areas I will cover today are Generex and NuGenerex Immuno-Oncology 5:2 dividends in both companies, Generex's S-1 and funding, Generex's NASDAQ application which is ongoing, Generex's spinout of our cancer company, NuGenerex Immuno-Oncology, Generex's Arizona operations, which includes our modality partnering business, MSO, and ultimately our HMOs, updates on our acquired, owned subsidiaries Olaregen and Regentys, MediSource, and Pantheon, and then lastly, our ALTuCELL closing.

In addition, I would also like to address the two main reasons-- which we've announced over the last several weeks--about the sharp decline in our stock price over the last several months. This is important as it has been on everyone's minds and concern, and I get many calls daily on this subject. And the two reasons are two actors: one, Creek Mountain, who we paid four million shares of GNBT stock and Veneto Partners who we paid 8.4 million shares of stock for a total of 12.4 million shares, which the company has had to deal with coming into the market all at once and/or illegally and/or with no regard to Generex and Olaregen shareholders.

And then I'll be happy to take all questions and answer them as fast as I can. If I can't answer a question, it'll be either because it's a legal matter that cannot be discussed at this moment or we just don't have a full answer as yet because either there is more investigating to do or it's an area, legally, we can't unveil due to disclosing our plans to our litigation and criminal targets.

So, with that said, I would like to start the updates.

So, Item 1: Generex dividend. As you all know, our planned dividend of 5:2 of Generex and 5:2 of NuGenerex Immuno-Oncology has been delayed again. For our January 3 pay date, now 6th ex date. This delay has been due to the ongoing approval process by the regulators that supervise public companies corporate actions in this area, which is known as FINRA.

Our attorneys have been working with FINRA and providing necessary information and answering all the questions, and we hope to have approval in the end very, very shortly and in the days to come.

However, we do not know for sure, but we assure all Generex shareholders we will pay this dividend. That would be definitive. And we would, at least, let everyone know through PR once it is approved. I'd like to say, personally, that Generex is sorry for the delay, but is out of our control as the regulators must do their job and provide these reviews to get ultimate satisfaction from this process.

This has not only been hard on shareholders, but the company's progress and initiatives have been halted. For example, our S-1 has been filed and until the dividend is paid, Generex cannot price the S-1 offering and add an addendum to the deal structure until this dividend is paid. We are confident this would be done soon and all of us will benefit.

Let's talk about Item 2, which is our S-1 and our funding. As previously stated, weeks ago, Generex has complete a \$40 million equity line and all the deal docs have closed; in addition, we raised \$2.2 million in a bridge financing, which the company received for a total of \$42,200,000, all which will be entered into the S-1 registration statement, an addendum within the equity raise our bankers are facilitating in the coming days and weeks. Please understand the dividend must be paid for this to be fully executed and Generex to receive the funding.

In addition, we received an SEC comment letter on what's been filed, to-date, on that S-1 and the SEC only asked to get the deal that's been filed and we could not have asked for a better initial outcome.

Let's discuss the NASDAQ application because I also get a lot of calls on that. The application is still pending and ongoing, and the company needs the S-1 funding to eliminate this going concern from our lawyers until Generex is fully-funded. We believe once all the funding is in place, ALTuCELL closes, and we spin out and unlock the NuGenerex Immuno-Oncology value and it's listed on the NASDAQ, Generex will be ready to execute on its own NASDAQ listing.

Moving onto Item 4. NuGenerex Immuno-Oncology spin-out. The audits are nearing completion and the S-1 is almost done for NuGenerex Immuno-Oncology. We will be completing the last pieces necessary to list on the NASDAQ stock exchange in the coming days. We will be announcing board members and additional management team members, which is key and very important as these new members go into the S-1 when we file it.

The funding necessary for listing has been circled up with interested investors pending the S-1 deal parameters and our clinical plans have been formulated with new trials in melanoma and bladder cancers in addition to our most partnered triple-negative trial as well as our prostate trial.

Item 5. Our Arizona operation is progressing very well and now we're about ready to close and sign three contracts with two previously announced clinics--Arizona Endo and Paradise Valley. In addition, we just added another large clinic with over 32,000 patients for a total patient population of over 100,000 patients in those three clinics.

We are taking space in these clinics and adding podiatry, ophthalmology, neurology, cardiology, bariatric services, pharmacies and labs in each of the

three clinics, and with our own doctors and staff to support these modalities I just mentioned.

As well as services, we've also made the decision to make an offer and to take over an existing surgical center with four operating rooms, eight pre-op bases, and eight post-op base. This now will complete our Arizona infrastructure. And the initial partnerships that will give these modalities the surgery capabilities from those practices in those three clinics. Once complete, we would implement our MSL strategy in Arizona, signing up doctor practices and more clinics so service their patients within the end-use of starting our own HMO. In the coming days and weeks, we will be announcing the finalization and closing of these endeavors.

Let's go to our existing acquisitions and subsidiaries. Olaregen, Regentys, MediSource, and Pantheon.

Olaregen is launching new products in addition to signing up new VA hospitals in which Excellagen would be sold to treat patient wounds as these new VA hospitals complete committee approval process. The new products are Excellagen Aesthetics for cosmetic surgery and dermatology markets, and our new Olarex Core Tissue. We are very excited to be launching these two products offers. And to update everyone on Regentys all the necessary manufacturing testing and trial plans for our liquid hydrogel products for Crohn's disease \_\_\_\_\_ [00:11:42] ready to start trials. And we are awaiting the necessary funding from our S-1 to start these trials. We are very eager to start this work and we are confident this would add huge value to the future of Generex.

Pantheon and MediSource have had exponential growth in sales since we acquired these two businesses and we are very happy both of those companies are growing under the Generex \_\_\_\_\_ [00:12:07].

Item 7. ALTuCELL is scheduled to close as soon as the dividend is paid out and we can price the S-1 financing. This dividend hold-up now has delayed this closing and we are in the process of working on an extension with the company. We are confident this would happen and we can close this last acquisition within the next 30 days pending the dividend payment and S-1 is effected to bring in the funding.

Item 8. Now, let me address the stock decline and why this has occurred. As we've announced, two groups we have acquired assets from sold up to 12.4 million shares of stock. 8.4 million from eight individuals that were members of NL [?] and 4 million from Creek Mountain from which Generex acquired the additional 20 percent of Olaregen. Both these groups, over the months, sold--or are selling--their positions without regard to Generex shareholders. I'd like to discuss, in detail, both situations and will start with Creek Mountain.

Generex acquired 20 percent additional stake in Olaregen, 4 million shares of stock and \$2 million in cash in the form of a promissory note. Because of the way it was funding, every quarter, Creek Mountain has agreed to extend the promissory note for each quarter and our Qs and Ks highlight these extensions. So, Generex has never been in default. Creek Mountain agreed to delays of the dividend as well as to keep their shares and book entry at the transfer agent until the dividend was completed.

Creek Mountain took their shares out of book entry without alerting Generex and started selling their stock when the dividend was being conducted. When this occurred, large blocks of stocks were sold, igniting a panic by GNBT shareholders and Generex had to investigate and finally found out that it was Creek Mountain that was selling, which caused Generex to postpone the dividend. Creek never filed or replied forms alerting shareholders they had such a large position; the company's belief is that they did not file the 13G so they can go unnoticed in their selling; otherwise, they would have filed that. The Creek partners all are very sophisticated investors and they know the rules. Those rules have all been broken.

Also, Creek had non-public, confidential information as they would give complete updates each quarter, which was necessary to get the necessary extension on that promissory note. Who would give an extension if they don't know the extent of what the company is doing? Creek did.

The 1:1 dividend was changed to the new dividend parameters and postponed past the agreement dates because of Creek's illegal selling. So, because they created the postponement and the new configuration, they're not entitled to the dividends. An example of what they did would be lighting their own house on fire intentionally, putting an insurance claim in, collecting that insurance claim, wait a month, and then putting in another claim to the same fire they started. That's illegal and you're entitled to nothing, same as the dividends.

Generex reserves all of its legal rights and remedies against Creek Mountain--and its partners--and will keep our shareholders updated on our progress.

Let's now go through Veneto Partners. Veneto Partners have also sold their stock illegally under Rule 144 and have not fully paid for those shares. Veneto put into unrestricted all 8.4 million shares which Generex rejected, to its transfer agent. Generex is alerting its transfer agent--as well as the law firms--that wrote the opinions that, under Rule 144, all the shares were fully paid for. As that is not the case, Generex is still owed assets from that sale of those assets, which improves the G-Pharmacy a 6 percent interest in \_\_\_\_\_ [00:16:44], a company that is owned, and approximately \$2.2 million in cash and working capital. To-date, Generex has only received the MSO from the sale.

Investor Call Transcript 01 21 2020

Generex also filed an 8-K as not receiving all the assets, and those assets were not delivered to Generex, which those shares paid for. The transfer agent then went ahead and unrestricted those shares, sent them to the members, and they also just started shooting the shares into the market without any regard for the shareholders.

Generex also reserves all legal rights and remedies in this scenario, and we will be going after each and every one of these people.

So, let's turn it over now for questions, because I know everybody's got a lot of questions and predominantly, today's call, for me, is going to be to answer those questions the best we can.

So, please if you can turn the phones on for questions.

Operator: [Operator Instructions] We ask that you please limit yourself to two or three questions to allow everyone the opportunity to ask questions today. If you have additional questions, you're welcome to re-queue and ask those follow-ups. [Operator Instructions] And we will go first with Bill Ketcher. Your line is open.

Bill Ketcher: Good morning, Joe. And hopefully, things will improve as time goes on. My two questions are like this: first of all, the FINRA application--or the FINRA overseeing--couldn't that have been done before this or did you have to wait for all these legal issues to clear up? And secondly, would you like to make a prediction on when the company may find itself in the black?

Joe: So, each and every time that the dividend is postponed or you blow past the dates because you're still in review for approval, you have to reset those dates, and FINRA will not review the application whatsoever until there are new dates.

So, obviously, it's preferable if you were able to get approval on the dividend and then set the dates so there's not a lot of confusion, but it just doesn't work that way. You need the dates and if they're not done with their process on the application review, it's unfortunate, then you have to reset the dates--like it's occurred the last two times.

So, we're quite confident that we're nearing the end of the review; we believe that within the next couple of days, we should have the approval in hand and we can announce that immediately, alerting shareholders and pay this dividend so we can move on--one as shareholders, and then two, as a company and get to the finish line of all our initiatives. So, our hope is within the next couple of days.

Bill Ketcher: What about going into the black, Joe?

Joe: What do you mean by "going into the black"?

Bill Ketcher: In other words, not losing money... seeing profit.

Joe: Oh, seeing profit. Well, it's important that we get out S-1 funding. I mean we have, now, all the pieces--all those pieces are ready to go, we're ready to ignite our MSO, we're ready to start our Arizona operations. Arizona, all those modalities in those three clinics that we're about ready to sign the contracts with each individual clinic will give us well over 100,000 patients in seven modalities--podiatry, ophthalmology, cardiology, bariatric services, and then all the surgeries that will come out of those modalities--plus pharmacy and lab.

So, we're estimating that once fully-funded, it's not going to take long to do these build-outs in these clinics--they all have massive clinics--and we should be up and running within 60 to 90 days in those clinics generating revenues, which will bring significant cash. Plus under managed care, those patients are entitled to one exam in each of those modalities, those doctors manage those patients' lives, and those doctors now are our partners. So, the future is bright as far as revenues.

And then all the other stuff that would be required. So, if you take a look past those modalities, everybody's got rules, so we have Olaregen as far product treatment, each one of those... there will be surgeries--orthopedic surgeries, foot surgeries, and now we have Pantheon and MediSource that will supply the hardware.

So, we're excited about 2020. We believe that once fully-funded with the S-1, we'll have substantial revenues into the future.

Bill Ketcher: So, do you think that 60, 90 days, or within a quarter or two, you might actually achieve profitability?

Joe: Listen, I'm not going to forecast--our delays have only been governmental delays which are totally out of our control. So, I have not called and said, "Well, have you closed this? You said you were going to do that." "Have you done this? You said you were going to do that."

It's unfortunate, but the only thing that we don't control is the government. So, when this delays on trying to give this dividend to our shareholders because we want to give back, we want to give to them, this delays have caused us delays on every single aspect of the business--because the dividend needs to be paid, the S-1 is only good until after the dividend is done, so I can price how much money it's going to cost us, so we can close the money to get the business to do all the necessary work and to get our NASDAQ listings.

So, we forecasting that--soft forecasting--that we believe once we're fully operational, we'll have \$250 million first year in revenues.

Bill Ketcher: Thank you.

Operator: And we will take our next question from Richard Procter. Your line is open.

Richard: Joe, so many questions, so little time. My first question is going to be the transfer agent. Now, they're releasing stock to these companies that are selling... aren't they restricted also? How can that company get restricted stock and sell it? And do have agreements--or did you have agreements with the two companies that are selling prior to their selling? I know you've been getting extensions, but did they have a signed extension at the time they did the selling?

Joe: First of all, yes, we have waivers signed by Creek Mountain; they also agreed to have those shares in book-entry--we even did them a favor, which the main principals--I don't know this person that had been posting... but I don't even believe I even talked to this guy. The two main principals are big VC fund managers; they set this Creek Mountain vehicle up for the sole purpose of investing in Olaregen prior to us acquiring Olaregen.

So, for me, we are the company; we had our attorneys alert the transfer agent in the Veneto case that we have not been delivered all the assets, we filed an 8-K to that regard. Our lawyers fought tooth and nail to them not to release our restricted stock. That company and those partners then had law firms fraudulently write opinion letters; we alerted each law firm stating those opinions were false and that under Rule 144, everything must be paid for to get that stock unrestricted--which was not--and our transfer agent made the decision and went ahead--even after the company vehemently denied them releasing that stock, then went ahead and did it anyway.

And if I recall, as were arguing about it, their lawyer, his response to me was, "Look at this law firm--this law firm is XYZ--do you think that they will write and effectuate a fraudulent opinion?" And basically, I said, "Absolutely, because it is a fraudulent opinion. I haven't received these assets."

So, again, some things are out of your control; I still can't believe that our own transfer agent had done this, but that's the full case and that's exactly what happened.

Richard: So, you knew that shares were going into the market before we knew.

Joe: Yeah. Oh, they were being puked into the market. In Veneto's case--

Richard: So, why didn't adjust our time frames as far as the dividends?

Joe: That's what we did do. We postponed the dividend and we [00:27:14] by doing that. But unfortunately, in the Creek case, they signed a waiver, that waiver... they effectuated a postponement and we did have certain dates in that waiver that it the dividend had to be paid by. But you do something to prohibit us from doing it, and now you want to be enriched, and that's basically all of those guys.



Investor Call Transcript 01 21 2020

Richard: Okay, now we've got people buying shares that due bills attached, how do we know that the shares that we're getting aren't caught up in this Creek Mountain fiasco?

Joe: I assure that everybody will get their shares and that is not even a factor in this at all. All shares that are entitled to the dividend will get their dividend and those shareholders will get them. There should be no problem in that area--it sounds like this would be a problem, but I assure you there's absolutely no problem in that area.

Richard: Alright. Now, ALTuCELL, do we have a current waiver in place?

Joe: We just forwarded them a waiver--to ALTuCELL?

Richard: Yeah, they're waiting to get paid before they close.

Joe: Well, first of all, you're incorrect: we're not closing that until after the dividend is paid--that's one. Two, we've not paid them any stock whatsoever, until after we close. So, they're not entitled to the dividend. So, I don't know where you would come up with that.

Richard: No, I'm not asking about the dividend, I'm asking about the closing. They're not going to close or give you a waiver until they get paid, right? And we won't get paid until the S-1 is approved.

Joe: Again, if it's the waiver that they have to sign because they're not getting any stock until after we close, and that would be after the dividend is paid.

Richard: Right. We agreed with ALTuCELL to close a couple months ago.

Joe: We needed an extension--

Richard: Yeah, the extension.

Joe: Okay. When you say "waiver", that's the dividend; when you say "extension", that is the extension to close [00:29:36]. So, yes, we agreed verbally; we would do an extension, and that extension was done yesterday, it was forwarded to both legal teams, and we're hoping to sign the extension sometime tomorrow.

Richard: So, I would assume that all our moving parts, with all the things that you've acquired, everything is on standby until the S-1 is approved and money can feed these entities--and we're not making money right now.

Joe: Let's just put it this way: an S-1, all of our legal team had thought that an S-1... to get to the point where we are will take at least four months with comments from the SEC; which right now is such a completely different

company than it used to be. We got our letter a day and a half later stating that so far so good, and get the addendum in.

So, yes, we need to pay the dividend so we can price the S-1 and our bankers can go out and do that equity race which is circled up today.

Now, the \$42.2m is definitive, we've completed both the bridge and received the money, and we close and finalized that on the \$40 million already. No, we're just waiting for our investment bank to do the equity piece, and we believe that that would be done immediately after this dividend is paid.

Richard: Joe, I don't want to keep going. I have a bunch of questions, but I'll let others go. I would like to comment that--

Joe: You can always dial back in and ask some more questions.

Richard: Well, I just want to comment that, as a shareholder, when you say "days"--and again, I've said three times to you--when you say "days", I'm thinking a week or two; when you say "weeks", maybe a month; when you say "months"... Okay, so all of us want to know a timeframe so we can gear our investing.

Joe: It's unfortunate that the only thing I cannot predict--the only thing--and if this is, right now, the lynchpin of getting everything done, which is to give out the goodness of our hearts, our investors this dividend--because remember is not voted on by shareholders, it's voted on by senior management that the board then will give their permissions to do a dividend. So, we're trying to do the best things for our shareholders, otherwise I won't even have done it--no one does this.

So, because no one does it, no one gives dividends in the form of stock, there's always going to be problems with these types of things when we try to do something good for shareholders. We're witnessing that, it's happening to us, but I'm quite confident once the government is done with its review, then everything else is on the company. But I have no power over the government or the regulators, whatsoever.

So, I have to fulfill the process, they have to answer their questions, we have to give whatever material they ask for, and that's just the way it goes. So, I can't give you a definitive on when they would act. I can then get on a conference call and tell you how long things would take me once they're not valid anymore? That's for sure.

Richard: Right. Like I said, when you say "days", I'm thinking it's coming really soon.

Joe: I believe it would be days based upon our outside counsel on Fridays updates as to where he is and what his conversations have been with the investigators at FINRA.

Richard: Outstanding, Joe. Thank you very much. I'll yield my time.

Joe: Thank you, too, Buddy. Thank you.

Operator: And we will take our next question from James William. Your line is open.

James: Hello, Mr. Joe Moscato. I'm going to ask you in-house questions, because I know you can't control anything with the government regulators, but I'm going to ask you only in-house questions.

One thing that I've noticed with the Antigen Express--I went to their website, but I've also looked at their team of scientists. And one of them--well, several of them stood out to me: Mr. Keith Knutson. And Mr. Keith Knutson, during Breast Cancer Awareness Month, he had several videos come out and he was talking about research that was done in the Mayo Clinic in Jacksonville, Florida. And this research that was done in Jacksonville, Florida basically stated that this woman, her breast cancer kind of went into remission, and it was administered in the same way as Antigen Express, also done by Keith Knutson, who's listed on the Antigen Express as a lead scientist. Could you comment on that?

Joe: This is our advisory panel, so you're looking at the advisory panel. He's on the board, he's on the advisory panel. All of our advisory panel members are all pristine scientists and they work on many, many different companies, different research projects. That's not one of our research projects, so I really can't comment on what Keith is doing in other areas other than--

James: I'm not certain about his first name, but I do know his last name is Mr. Knutson.

Joe: Yes, Keith Knutson. Yes.

James: Okay. Even though it was a young lady that developed a company that was called Continuity Insulin; she was recognized both in Australia by the Dyson Corporation and for her research with an inhaler. And she stated in her report, that Generex developed this next-generation insulin inhaler and it requires a fingerprint to unlock the inhaler. Can you comment about that research that, apparently, your company did?

Joe: Well, we had nothing to do with her or that, that's for sure. It's an inhaler--

James: Okay. But she did list your company as the one who provided that technology for the inhaler.

Joe: No, we never provided any technology; we're not in the inhaling business, that's for mankind, that's inhaled insulin. Ours is buccal delivery of insulin, so that's not inhaled.

James: Well, she did list your company, but you're not familiar with that inhaler.

Joe: Again, we're not into inhaled insulin, but we have sprayed insulin under a high-gas formulation.

James: I believe it was bronchial insulin delivery med.

Joe: We have nothing to do with that.

James: Well, somebody started using your name.

Joe: Well, that, we're going to have to take a look at. I did not know that, but for sure, we have nothing to do with her.

James: Have you looked up continuity of insulin or you just go on Google, look that up, go on the news? You should be able to find her. And then lastly, I wanted to know why can't we pay for a fast-track application to the FDA since Antigen Express breast cancer is doing very well? Why can't we pay for a fast-track application and just see what they FDA say? They can always reject the application, but we could try to put money...

Joe: Well, fast-track is not only about putting an application in, it's about fulfilling the requirements to get fast-tracked. And we don't meet the requirements yet.

James: So, Antigen Express currently does not meet those requirements?

Joe: Not as of yet, because right now, our breast cancer trial in partnership with Merck is ongoing, in recruitment right now. We need to get this initial data into Phase II, which will support anything that we move forward with the FDA in the future. But right now, we don't have data with Keytruda and A37 together. We're deriving that now, and once we get that, then maybe those kinds of accelerated programs will work for us, but this is brand new.

James: Okay, under the FDA clinical trials, there's one trial that's listed with Keytruda--with Merck--and there's another trial that's listed with Generex, that was started years before. Where is that trial? Because that was the standalone without the combo drug.

Joe: Whoever did that trial, that was years and years ago. If you take a look at that trial--I believe this is Northwell--there were many trials that Generex did in the old days, but that trial is so old and has nothing to do with what we're doing today and what's ongoing right now. So, you've got to look at the dates, and I believe you're talking about the old Northwell trial--I believe it was on there--and that is way before anyone's time that's with Generex or Antigen Express today.

James: Okay. I'm going to ask one last question and I'm going to yield my time. My last question is that you stated that Creek Mountain would not receive the

dividend shares. The other company that did the same thing as Creek Mountain, would they receive the dividend shares?

Joe: As of right now, we are in litigation with both of those--well, with Veneto; Veneto, again, has not delivered our assets, they should not even have the stock. We've asked for audits by all the members of that stock; under the ATA, the acquisition agreements, we're entitled to all of them. We've got audits from three of the members, and were just puking the shares into the market.

So, we are, right now, doing everything we can to make sure they get nothing further from us.

James: Okay. That's all my questions and thank you for answering all my questions to the best of your abilities. Thank you, Mr. Joe.

Joe: Thank you, sir, for calling in.

Operator: [Operator Instructions] We will go next to John Nicole. Your line is open.

John: Joe, I've got a few things that I'm going to say, and you don't really need to respond to them. But I'm the old man here who is tired of what's been going on. And I do thank you for rescuing the company, but you don't need to answer any of these things.

But I am tired of the company building value and nothing happens, nobody recognizes it. I'm tired of the stock price dropping. There are no responses from you folks, either through the US mail--which I get returned to me--nobody picks up the mail; I'm not getting emails responded to--or phone call from either... well, not from you, but Mr. Falls [?]

Now, the promises have not been kept and that's on the dividends among other things--and I understand what you've been saying here this morning about a lack of control. What I'm saying here, Joe, is lack of due diligence by us and the federal bureaucracy, and I think that begins right at home with our staff.

Now, somebody is not paying attention. I'd like to see the NGIO rollout take place, but the information that you had was first quarter. Now, I don't know which fiscal quarter--which first quarter you're talking about. Is that the first quarter of this...?

And the last thing that I want to say is--

Joe: Excuse me. Excuse me. Alright, let's move on to the next question. Thank you.

Operator: And we will take our next question from Richard Procter. Your line is open.

Richard: Joe, back again. Listen, Shenzhen, any information as far as their studies?

Joe: On which one, I'm sorry?

Richard: Keytruda in Shenzhen in China?

Joe: They are going through... I know that they are right now in the process of developing the drugs that--they had to develop the drugs there. I know that they're doing whatever they need to do with the Chinese government to effectuate what they're doing in the license they have for prostate cancer.

Richard: So, they haven't even started a clinical trial.

Joe: They have to make the drugs first and that takes a while. We can make it here, but they haven't made it there yet.

Richard: Okay. We had some other early PRs... we had the... weed, water... I can't remember the name of it. We were going to infuse the CBD into the water we had...

Joe: Yeah, I brought that up on one of the calls--if you've noticed--from the Veneto transaction. As I said before--and I'll say it again--that when we were acquiring all the Veneto assets, they had a pharmacy network. That pharmacy network, on the final APA contract--which did not include the pharmacies, because the Federal Government had those under investigation, and they wouldn't allow them to license those. We never received it.

We re-did the acquisition terms, we only acquired the MSO, the G-Pharmacy and the G-Pharmacy only allows you to collect prescription monies--adjudicate from one location, and then you have pharmacy networks and/or partners that you can adjudicate and have them to sell.

But we never received those assets and the whole plan with water was to put them in our own pharmacies. So, if we don't have our own pharmacies, that great idea of using infused CBD water in those pharmacies went the same place that the pharmacies went--not to Generex.

Richard: \_\_\_\_\_ [00:46:27] is no longer our transfer agent, we're going to get rid of them?

Joe: Yes, we would have a new transfer agent sometime in March. We will change--we're interviewing new ones and we definitely will have a new transfer agent.

Richard: And as far as the... okay, I'll let it go. Like I said, I have a million of them.

Joe: No, please go ahead.

Investor Call Transcript 01 21 2020

Richard: Well, we're holding Broadridge to a level of honesty that they may not have-- or at least, there's a disagreement. The dividend--

Joe: No, we, as a company, we instructed them as a company to not release those shares for more than one, two, or three, or four reasons. And they totally went against the company--the management and the lawyers of the company--and their only response to me--and I have it from their lawyer--which they didn't believe that this particular law firm would ever write an erroneous opinion, and that is just not the case because they did.

So, again, under Rule 144, all of the assets needed to be delivered. That stock needed to be bought and paid for in full--which we filed an 8-K stating it wasn't--but our own transfer agent went ahead, disagreed with Rule 144, and they went and they paid those 8.4 million shares and removed the legends. And I don't know what else to do other than scream from the top of the chandelier. But unfortunately, totally out of our control. And I still can't believe that our own transfer agent had done that.

Richard: Okay. Creek Mountain is holding 2 million shares back; Veneto had 8 million--are they done selling?

Joe: I believe based upon these DTC sheets and the vehemence of the audits that we were able to get out of the \_\_\_\_\_ [00:48:51] members. If they're all doing the same thing, then they're all either out or almost out, because the amount of shares that they based this that I have in the audits that we were able to get from members is just obscene--and well over the 10 percent lock up leak out; even if they had the stock legally, they violated lock up leak out in the contract.

So, again--

Richard: I'm no lawyer, but I don't think it would take years to get this ironed out in the courts. So, we have to--

Joe: No, we're not going to the courts yet; what we are doing right now is we brought our cases to the SEC, and we'll let the SEC determine if we're 100 percent right on our claims--which I know we are.

And listen, people get fined 250, \$500,000 for not even filing a 13G. These are sophisticated investors, they manage a \$1 billion fund, that they did this one-off investment, these Creek guys. I don't even know who this--the guy that they had in place there is some shill, he's the next-door neighbor of the main principal of Creek and they put him in there to protect their interests only. I never dealt with this person; the only person I've dealt with are the big fund manager guys. And as soon as this guy started selling the shares against what our agreements were, or somebody washed their hands with the whole thing, and they gave me the excuse that they needed taxes. So, \$2.6 million they made on selling half a position at that time and somehow, someway,

taxes were involved in November--which I still don't understand because it could have let the dividend be paid. It was their stock, we did get the asset from them. They have the right to sell that stock, but they signed a waiver and they agreed to book entry on those shares to keep them until after the dividend. They had a whole month to go in December, let the dividend be paid November 30... you got all of December to sell so you can get your tax money, if that's really what the case was. But instead, they chose to sell in November and give me some lame excuse that it was for taxes they had to pay--which they had 30 days to do the same thing they did in November.

So, for me...

Richard: But they're still holding 2 million shares--and I thought they were doing that because they were on the hook for the dividend they would have to pay.

Joe: I don't know what they have; they have not disclosed and I have not talked to them since this whole transpired. So, if they have 2 million shares left or if they have zero shares left, they're not accommodating me in any type of audit or showing me what they have left.

Richard: Anybody else out there with the kind of shares that is arguing that they have the right to sell them or going to sell them?

Joe: No, those were the only two groups. We've even done convertible notes with funds and they've all been gentlemen--I tip my hat off because everybody complains about funds. But those guys never hurt us, they were all appropriate, they were all... if they did convert on any of the notes we did take in, they sold like gentlemen with real regards for shareholders--it's just two groups: Veneto and Creek.

Richard: Our S-1 bank group, are they aware of what's going on and are they cool with it, they're waiting for everything to play out or is this going to cause them to kind of hold back and wonder if your financing is for S-1?

Joe: No, we have not problems with that.

Richard: So, their stock price is dropping.

Joe: No, I would say that money or funds--listen, once those people are out of the stock, Generex has more than enough things going on plus other things that we'll do in the future. No question that would drive up the stock, we'll get to over \$2 soon, and we'll have that NASDAQ listing opportunity again, because our application spills over.

So, we'll have real value drivers with Generex, but I'm not worried about the future. My big thing is that they called time on the things we're doing now--they could have done this and they could have been real team players, and they could have allowed us to get our listing, and they could have sold in a



much different way. Instead, they did things illegally--they did things criminally in my opinion--and my lawyer's opinion--and we're going to go after them.

Richard: The Veneto acquisition, we were really after--I mean involving the parts of Veneto, the MSO was the one you were looking at, that was the big one, correct?

Joe: Oh, they were all just as equal.

Richard: But you only got a couple of them, we probably won't get the rest. But we got the MSO and was that cherry or are we kind of screwed there?

Joe: I don't understand what you're saying.

Richard: We purchased a series of assets from Veneto, but only got--

Joe: Okay. So, let me ask you: if you have an MSO and you're running the business of selling drugs and you want distribution, what would be the best thing in the world to have? Doctors, right?

Richard: Yeah.

Joe: So, do you think it's viable that we have hundreds and hundreds of doctors in an MSO in six states that eventually, we would turn back on to do what? To sell our own drugs, and to sell our own treatments, and to sell our own hardware. Do you think that that is a viable asset?

Richard: I know we sent a lot of money to a lot of people that sold us stuff that we didn't get.

Joe: That's the only thing that we didn't get from the Veneto people; everything else we got. I don't know what you're talking about "other things"

Richard: Well, if you can explain that because I'd love to know what else I didn't get.

Joe: So far, the only criminals that we have in this whole problem are the Veneto people that did not deliver what we paid for. Other than that, I never said anything else; we got everything that we paid for.

Richard: Okay. Whatever we paid for and didn't get from Veneto, I wanted to make sure what we did get was kind of what we were looking to get in the first place.

Joe: Yeah, we got our MSO, we got the highly valuable potential of having doctors in a big network that we can sell our own products, treatments, and services to once we get funded and once we're able to turn that back on.

Richard: And we can hold shares [?] that are due--we still have some bullets. Veneto, they are still waiting for more from us, we owe them more once the deal is done, if they're not going to pay.

Joe: No, we don't owe them anything now. They were all charged criminally by the federal government and if you take a look at the ATA that we signed, we have provisions in there because we're under investigation by the Feds.

So, we made sure that--there are two things in healthcare; either it's violation stuff where you cross the line but you didn't do it intentionally, so you get fined millions and millions of dollars. So, in the contract, we've set aside--on the original contract--\$12 million for any type of violation.

On the other side, it's criminal stuff, and typically, they close you down one, two, three if you're touching patients' lives. So, these guys are [00:57:40] that they did nothing criminally--though they did hide behind attorney/client privilege, so we couldn't get a lot of information in that regard. But we were buying those assets as long as they weren't tainted by any wrongdoing on the criminal side, which they accepted they wouldn't do, and we made allowances into APA on any other consideration that needs to be done. If any criminality comes out that they did, they get nothing more. So, they get nothing more from us. Now, the Feds just--three weeks ago--charged them all with crime.

So, for us, there is nothing left with Veneto other than they still owe us three assets, \_\_\_\_\_ [00:58:33] stole our working capital, which is close to \$2.2 million, and we would go after them on the fullest extent of the law that we can--and that's what we're doing now.

Richard: Okay. Thank you, Joe.

Joe: Thank you.

Operator: And we will take our next question from Mohammed El-Baghdadi. Your line is open.

Mohammed: Hi, Joe. Thank you for taking my question. I have a simple question about the NASDAQ minimum listing price for both GNBT and NGIO--which is, as far as I know, \$4. Are you expecting a reverse split to meet that requirement?

Joe: No, I'm not expecting... no, I'm not doing any reverse split, that's for sure. That's one. Two, there is the \$2 threshold price, there is the \$3 threshold price--and yes, there is the \$4 threshold price. Each of those levels--whether it's 2, 3, or \$4--have their own requirements that you must meet and they're much different on all three levels.

So, we have the form for the \$2, we traded 90 days at \$2 for us to get our listing--based off on all the great stuff we got going on, which I don't believe

would be a problem in the near future to get back to \$2. We've got to be five days prior to listing at \$2, and we have to get on with our going concern, which is what we're working on right now with this S-1 funding. Once we have the S-1 funding, then we'll march back to get to \$2, and I believe that we'll get there.

Mohammed: And the same thing applies for NGIO or do you expect to enter the market with a \$2 price--at least?

Joe: Well, NGIO is a lot easier to get to NASDAQ than cleaning up Generex and doing all the things that we had to do--even have an opportunity to uplist it again.

NGIO, we're following an S-1 which we're almost complete on and we're going right to NASDAQ. So, based upon the value of our clinical paths that we have going on now, the new clinical paths that we'll be undertaking, the soft circling up of the money necessary to get a going concern off of us, and to get those audits completely done for two years, which we're working on, we should be listing that company directly and straight to NASDAQ, and the threshold is a lot easier than where we are with Generex. One is clean and pristine, the other one was mired in a 20-year history of problems, which we were able to clean up and at least have a shot now at getting that listing.

But no, I'm not doing any reverse stock splits, that would not do at all. I believe that all the other things that we have, with a little bit of success, and once we get out S-1 funding, we would be able to do so many things that I'm not worried about stock price.

Mohammed: Thank you.

Operator: And we will take our next question from Edward Pasic [?]. Your line is open.

Edward: You paid to Veneto not only the 8.4 million shares, but also 5.5 million shares of NGIO. Did you cap these shares?

Joe: No, they have no NGIO shares as of right now. That's one of the big things we're going after. We're also going after any remedies on the 8.4 million these guys have gotten. What they have done, in my opinion--and in my attorney's opinion--is totally criminal, they've facilitated a fraud on Generex, they facilitated a fraud in getting our transfer agent to unrestrict 8.4 million shares of Generex stock, they committed a fraud on getting seven or eight law firms to give an opinion based upon erroneous information and not complying with Rule 144. And we would do whatever we're doing--and have to do--to make sure they get nothing further from Generex.

Edward: My next question is then are you going to these fraudulent law firms too? I mean you said they wrote a fraudulent letter... are you entitled to damages against them?

Joe: We would go after every one that our law firm--and outside counsels--believe are liable. I believe we've hired one of the best attorneys to handle this, and that's Robert Heim. Robert Heim was a former top attorney for the SEC. He was a regional director for the SEC for enforcement and whatever Robert Heim will recommend us to do right now, the regulator would, whatever he recommends and/or any other route, we would take that route. And I have full trust in our outside counsel to get everything and anything that Generex is entitled because of this criminal behavior.

Edward: So, the same question applies to Creek Mountain. I mean, are you asking the SEC to go after these people who are responsible for these fraudulent things?

Joe: Listen, people can hide behind the office. If you're a smart investor and you invest into thousands of companies because you have this massive fund, people forgetting to file 13Gs, that's just the small part of it.

If I had seen a 13G filed, then I would have been alerted a hell of a lot sooner than me having to go out and investigate and find out on my own that it was Creek Mountain that started the cascade effect of people panicking, have to all of a sudden have hundreds of thousands of shares started to be sold and then forcing Generex shareholders to start selling--which they created.

So, they didn't file that on purpose is my belief, because if they did I would have known they were going to start to sell, because smart investors do things right--and these guys did nothing right.

Now, were they entitled to our shares? Of course, they were. Did we receive payment for those shares? Absolutely, we got out 20 percent of Olaregen additionally. But we had agreements in place and those agreements afforded me the opportunity to get this dividend paid as well as get my NASDAQ listing. And they thwarted that by their breaking of our covenants and selling stock into a market when no one else was selling because of this dividend. They signed a waiver.

So, they're under the belief that when you sign a waiver, that means you can still sell. Well, how could that be? Because if you sell the stock, someone's going to get a pay-due bill. So, then their excuse was, "Oh, we saved half of it so we could pay the pay-due bills." Okay, but you still did things that created a cascade effect that prohibited us from even keeping the dates necessary to make that waiver be effective.

So, now you want to get--you can't it too; you created the problem, you're the one that caused the postponement, but now did you cause that postponement because you really never wanted it and you did everything you could to get it taken away because you had signed it? That's the way it looks to me--pretty obvious. Because if I sign something and I create a problem where you make something ineffective, then I did it on purpose. That's what these guys did.

Edward: My last comment is... one of the callers said he never got answers from emails sent to the company. I can say I always got answers from the company when I write them something. So, that is not correct what the other guy said.

Joe: Yeah, listen, I've seen his letters in the office before--I got to the office quite often in Miramar, and I've seen his letters... they're very... rambling, kind of. He's a shareholder... do I have time to answer a 40-page letter? No. Call me. I pick up my phone from everybody. So, have I been deficient in not answering his letters? Yes. I'm just very busy and unfortunately, I don't have the time to respond to a 40-page letter.

Edward: Okay, Joe. Thank you very much. I can tell you that my client will stay with his last position, so you don't have to worry about \_\_\_\_\_ [01:08:41] from Germany.

Joe: Thanks very much. And again, once these guys are out of the way, there is absolutely not question in my mind that Generex has enough great stuff going on that stock price will rebound. It's just unfortunate that both of these groups, greedily and unwantedly wanted to hurt shareholders, shoot their shares into a market when... I mean, again, if you signed a waiver stating that you're going to waive the dividend, why the heck would you be selling when no one else could sell?

There's no argument that they they... otherwise, don't sign the waiver, don't give it to me, and then don't be on the hook for anything. But you signed the waiver; if you signed the waiver and you agreed to keep those shares in book entry, don't tell me that you made \$2.6 million and you did that because you had to pay taxes in November. That is ridiculous. I have these emails from these guys. They go, "Oh, we had to sell because taxes." "Okay. Who pays tax in November? I don't know anybody. Now, if they would have let the dividend get paid November 30 and not have caused the postponement, then they could have sold all in December and made money. But instead--

Edward: Okay. The other day I saw a company that is also working on the breast cancer treatment. That company is valued at \$400 million and you are just valued at \$30 million. So, I think the stock price here are 64 or 70 is a joke-- much too cheap.

Joe: Of course, it is. But don't forget Generex was a dormant company, one step close to being... it wasn't even functioning and had billions of shares out and was at one-tenth of a penny.

So, it takes time. I believe that once we... we actually have not been funded properly since we started this; that S-1 would afford us the funding to take all of these unbelievable pieces that we've acquired, put the necessary money into those pieces, create a big enterprise, get value from our clinical programs, get value from our development programs or commercialization of things that have already been approved by the FDA like Olaregen's products,

and then build our operation and distribution for our own purposes starting at Arizona with the ultimate goal of getting to an HMO, and that's what we're doing. And it doesn't take much to move the needle once you're funded. And Generex surely has enough things going on, that once funded, I believe would be quite good for the stock price.

Edward: Thank you and I wish you all the best.

Joe: Thank you very much. Thank you for calling.

Operator: And we would take our next question from Tim Jacobs. Your line is open.

Tim Jacobs: Good morning, Joe. I just have a very question--I think it's a simple question. With all of the acquisitions and whatnot that Generex has been going through, are there any divisions of the company right now that are making money, that are profitable?

Joe: Oh, yeah. MediSource, Pantheon, they had--the last two quarters with Generex, they had blow-your-doors-off increases in revenue. Excellagen, the month before--the Christmas month which is December, the holiday month--they did well over \$450,000 in new revenue.

It takes a while to write off these VA hospitals, that was the first target of commercialization--there are about 15, 20 VAC committees and 15, 20 new VAs, but we believe we'll be writing those off month by month more and more, and revenue will increase and increase. And we are launching two brand-new products with Olaregen, as you saw last week, our cosmetic dermatology product as well as our umbilical cord tissue.

Tim Jacobs: And so overall, what's your projection? And I may have missed this, but what's your projection on when the company, as a single entity, reaches profitability?

Joe: Well, if we can get the dividend paid immediately, get through the federal review--and listen, I have no problems with them doing reviews, they're doing their jobs; they're the regulators, they're the guys that protect you and everybody, right? So, this time, it's taking a lot longer to get the approval, but we need the approval. Once we get the approval, then I can tie the S-1, get that effective, take in the necessary money to light up all our development stuff... from Regentys, from Olaregen--which has other areas they want to go into--our own cancers stuff, our own trials there... finish commercializing the Olaregen products, put money into MediSource and Pantheon where now they can build more kits in the orthopedic space--and the more kits you have, the more revenue you have because the more people are using those kits.

So, there's no question that the funding is the most important piece that we need to do, it's key to getting a NASDAQ listing because we need to get our going concern off. And it doesn't take much build out our Arizona operations,

we're piggybacking off of existing doctor-backed loans... and the future looks bright, it's just we need to get this first round of large funding in--which we will--and then we need to put those dollars into the necessary pieces to create this big, huge enterprise. And that's what we will do.

Tim Jacobs: Okay, Joe. Good luck.

Joe: Thank you.

Operator: And we go next to Richard Procter. Your line is open.

Richard: Joe, sorry again. Listen, there was a doctor that did express grips or somebody that was involved in an HMO, that was a big guy... is he still with us? I can't remember his name.

Joe: You mean Terry Thompson, my COO.

Richard: I'm not sure. I saw a PR where we had a guy that was... created an HMO that was very large, and he segued into something else and now he's joined our team?

Joe: You mean Sanjay Kumar who's running our managed care operations out of Arizona. Yes, he's very much part of this team; I was with Sanjay last weekend and his team in Arizona. He's the one who's putting together all our modality business, he has all the relationships in Arizona with the clinics, all the doctors--whose partners are our partners now. And like I said, his big goal is to pool all these modalities together, they'll be part of our big, huge benefits for when we start our own HMO in Arizona, and that's what the plan is and that's what we're moving forward with.

It's quite amazing how all of the large doctor practices are all attracted to Sanjay and his team, and I witnessed it firsthand. As soon as they find out that he's in town and he's going to be creating all the things he's doing for Generex, these doctors beg him to be part of what we're doing. So, very excited about what they're doing there.

Richard: Thank you, Joe. I'm done, I won't call back.

Joe: It's okay. If you have another question, please.

Richard: No, no, as we're going, these things pop into my head and I'm kind of a little bit more at ease with what I'm hearing. I mean, at least, it sounds like we're on the move and we just got some pieces right.

Joe: As for all the things that we've done this year, two out ten things went sideways to an extent, because those people do these things in life. There's only so much you can do in terms of contracts, good guy clauses, moral

clauses... people hide behind attorney/client privilege, people hide behind reps and warranties though I've never seen it before.

So, in these two instances, that's the case because as always, greed and making money come before any morality--and yes, it's happened to us.

Richard: Alright, Joe. Hang in there and do a good job. Thank you, sir.

Joe: Thanks, buddy.

Operator: [Operator Instructions] And we will go next to Scott Mann.

Scott: Hey, Joe. How are you doing?

Joe: Hey, Scott. How are you?

Scott: Good. Joe, I have no doubt--and I think a lot of others have no doubt--that once we receive adequate funding, we'll be off to the races. Here's my main concern here is liquidity and staying solvent in the meantime. On the last Q report, we had 4.8 million in G&A expenses and 1.8 in current assets. Can you speak to what we're doing to stay solvent?

Joe: Well, a lot of that is internal, but like I said, we just got \$2.2 million in a bridge--which is not in that particular report. And we believe that FINRA will be done pretty soon and we'll be able to get this S-1 effective pretty soon, we'll get our overall funding.

Everybody has been working with us, we've had no problems anywhere with our commitments other than we may be late, we may get extensions, but we are doing everything necessary.

And again, Generex was dormant for three, four years, owing out millions, and millions, and millions of dollars. No one came knocking on the door to close them up at that time. So, it's a real business, we have a lot of things going on, and everybody is working with us quite favorably in regards to understanding where we are with our initiatives, as well as our fundraising, and getting to the finish line.

Scott: I mean, we don't have dates on this... if this takes another, say, two months to get funding, you have no concerns that we're going to have liquidity problems?

Joe: Well, liquidity problems, the best thing that a company can never have is liquidity in its stock, and I believe once this dividend is paid, Generex is going to be highly liquid, where everyone is going to want to give us money. I just need more the first round, so I don't need to keep going to the well anymore, because there's no doubt in my mind once we're fully-funded, we'll



be able to build this thing out; I won't need any more money from the street-- in terms of funding.

Scott: Right. But you have no concerns--

Joe: No.

Scott: It takes a couple of months, we're not going to have issues?

Joe: Absolutely not. For what reason?

Scott: Well, just that... as a \_\_\_\_\_ [01:22:02] we show a lot more money going out than we do coming in.

Joe: Most of it is paper.

Scott: Okay. Back to the revenue piece, when you say the revenues for Pantheon and MediSource have increased exponentially, is that becoming significant or is that from also zero to... it's a huge percentage increase, but is that becoming significant as far as \_\_\_\_\_ [01:22:32] is able to?

Joe: No, I think this quarter, one of them--well, I believe it was Pantheon who was up 214 percent and they had substantial revenues... I don't have them in front of me, I'm away on business in my hotel room, but the next Q should tell a good story on revenues.

Scott: Okay. And did you say, earlier, that Excellagen had put up 450k in sales in a month?

Joe: Yeah, they did quite well in November; and December, obviously, no one worked and not a lot went on. But yeah, they did very well based upon the limited VAs for sale that we have right now.

Scott: At this point, do you take... when Excellagen has that kind of revenue, do you take that and keep that inside Olaregen going back towards Excellagen or what do you do with that?

Joe: Generex's job is to allow our subs to prosper, which will allow Generex to prosper. All our expenses are at the sub level, so we don't take money from our subs; we owe them money as part of our commercialization payments and that's why we need the funding to get in immediately. So, just like Regentys--which we'll build huge value and get those clinical trials started--it's a quick de novo trial, we believe that that's going to be a game changer... finish our obligatory payments to Olaregen so we could fully commercialize all 17 areas of FDA approval... that's going to be a gamechanger.

So, again, we need to get this S-1 effective, we need to take in all this money so we can give them to our subs so they can build the value in the whole enterprise, and that's what we're going to do.

Scott: And you had mentioned the \$10 million marketing agreement potential for Excellagen or Olaregen. Can you give us some update? Are those still being worked on? Do you see the potential for that still or are they not panning out?

Joe: What is that? \$10 million marketing agreement?

Scott: Yeah, you had mentioned on a previous call that you were trying to set up some marketing agreements and you mentioned the number of \$10 million to get somebody a marketing license on Excellagen.

Joe: Oh, you mean as far as a license in another country.

Scott: Yes.

Joe: So, the way it works is once you get your FDA approval, you would then look for another pharmaceutical company... let's call it in Brazil.. and you'd go through their catalog of what areas they're in. So, if they're in wound care, you would then seek to make some kind of licensing agreement for them to be your agent in that country to distribute and sell that product. Typically, companies will pay an upfront payment to license a product.

And yes, we are working on that, we are in discussions with a few folks-- nothing definitive.

Scott: But you're still hopeful that sort of thing is...

Joe: Well, when you get an FDA approval, that's should have soled out. You don't do the whole world on commercialization; you find partners that can pay you upfront and they give you a royalty.

So, again, we have been focused on that, we're in talks in two or three countries right now, but... and there are no guarantees we'll get to a deal because I want a lot of money. Of course, these products are FDA-approved and when you have an FDA-approved product, you're able to get them approved in other countries very, very quickly.

But we can't do it, we don't have the boots on the ground in other countries, we need a pharma partner and that's who we're talking to, and we have been. And I'm quite confident--

Scott: But no deals today yet--none of those deals have been signed yet.

Joe: I will say we're pretty close to one in Asia that we believe we'll finalize soon.

Investor Call Transcript 01 21 2020

Scott: Great. Well, like I said, I think a lot of us have confidence once this S-1 or the NGIO spin, get some cash and get the wheels turning and we'll be off to the races.

Joe: Again, people need to realize that we've got 12.4 million shares of stock coming in when nobody is selling anything because of the dividends format that we think this was a large dividend format. And they are completely different than any other dividend format where the record date is the most important date.

So, you've got these guys--these bad actors--selling--or I should say puking stock into the market, creating panics, and doing that to line their own pockets--where, in one case, Creek Mountain didn't have those agreements in place. That's my only beef with those guys--and they know what they did. On the Veneto side, they didn't deserve anything because they haven't delivered what we paid for.

So, they had to do it during the time of the dividend when no one signed, they created a cascade effect in multiple areas and it's held up everything we've done. So, I would hold both of these players liable and we will go after them tooth and nail, and that's why we hired Robert Heim to handle all this and nobody, in my opinion, is better in this area.

Scott: Well, we really appreciate all the hard work and please keep us up to speed as much as you can on developments on that, and keep moving the pieces that you need to move in the meantime.

Joe: Absolutely. And I appreciate the call, buddy. Will do. Thank you.

Scott: Thanks, Joe.

Operator: In an effort to ensure that all of our participants get an opportunity to ask questions, we ask that you limit yourself to two or three questions. If you have additional questions beyond those two to three, please re-register with the \* then 1.

We will go next to James William. Your line is open.

James: Yes, Mr, Joe, I wanted to just restate the question that I asked you earlier about Keith Knutson and his work with the Mayo Clinic in Jacksonville, Florida. Like I said, there was a patient there and her breast cancer went into submission, it was triple-negative breast cancer. And they did multiple reports especially during the month of October for breast cancer awareness, and I just wanted to know, since he is listed on the Androgen Express as one of the principal investigators, and the administration of which the young lady spoke or was done in the same order that Androgen Express is administered.

Are you familiar with any of that research and is that research related to us?

Joe: Again, these scientists that are on our advisory panel are the best of the best in breast cancer; they do multiple, multiple things. But let me ask one of my teammates. Rich, do you know anything about this trial that Keith is involved with?

Rich: Sure. Keith's been an advisor to us for over a decade, he's been involved from the beginning, with the development of AE37 and the IIT technology. So, we've worked with Keith in collaboration for a long period of time.

He has a couple of other \_\_\_\_\_ [01:31:43] receptor peptides and a couple of other programs that he's been working on, and we've been in discussion with Keith about doing some development and licensing agreements. Those discussions are still open and at the time of the NGIO spin-out, when the funding becomes available, we can start negotiating potential licenses with the Mayo Clinic and Dr. Knutson. But right now, without that funding commitment, I don't want to continue those discussions until we have commitments for them. Alright?

James: Okay. And I just want to restate, also, my second question. It was about continuity insulin. And for that young lady, as I said, she was a participant on the James Dyson award. Unfortunately, she did not win--I felt that she did deserve to win but they went a different direction.

But she has publicly used GenereX's name in multiple articles, she has stated that your company was the one that provided the technology for the insulin inhaler that she used... it was bronchial delivery. So, I want to know, is anyone at the company aware of that research?

Joe: Someone pointed that out to me--an investor. I thought it was a cute college project. And again, we're not bronchial, so god bless her if she can get an effective product to the market bronchial, but I'm not a big fan of bronchial. So, other than maybe her using our name, I have no interest in bronchial insulin.

James: Okay. I know years ago--I believe in 2013--the FDA did issue a complete response letter--and it stated two things: it was basically, they wanted to ensure the administration of the drug, that people couldn't overdose with the amount of puffs that was needed, and they were concerned about that and the safety of the project.

Apparently, with that inhaler, since it is locked by a fingerprint, that would answer at least the safety part, because children wouldn't be able to access the inhaler. I don't know about the work that she's done, but like I said, that is interesting because she does publicly use the name, as well as I know that the drug has been reformulated by Dr. James Anderson--he reformulated the drug. So, I'm just curious as to when that could proceed to the FDA for some type of approval.

Joe: Well, we're quite excited about oral and its future because of the fine, great work that Dr. Anderson has done in making it a viable utility-worthy product where before, it was not utility-worthy. Any time you have to spray seven to ten puffs into the buccal mucosa, those canisters are expensive and you can't compete with syringe injections whatsoever for Type 2.

With his new formulation of one to two puffs, it is just a much, much more highly competitive--from a utility standpoint--product, we are excited to get back into that product once we're fully funded. We will put the necessary resources into that program because if we do finalize the acquisition with ALTuCELL, we have potentially a Type 1 cure. And if we do go back into the clinics with oral--which has already been proven to be totally safe and totally effective for Type 2--we'll have a really great treatment product, especially under the new Dr. Anderson formulation.

So, again, we have to get to see the FDA, we have to hope that they will allow us to use the safety data--and the efficacy data--of the last trial round. We're not sure--and the reason we're not sure is because the FDA constantly keeps changing on how they approve things or what they ask for. Again, this is insulin; insulin has been approved for tens, upon tens, upon tens of years, and we're just delivering it into the buccal mucosa.

So, again, I think we've proved that safe and effective in the buccal mucosa, and we need to figure out, with them, what they want us to do, and we hope we can get to that pretty quickly after funding.

James: Well, I hope very much, that we do. I mean, I think it's become a major issue in multiple states that are capping the price of insulin as well as different candidates who are running for President and their views on capping the price of insulin. So, I think that there is a market for our drug in some type of alternative or injection.

Thank you very much, Mr. Moscato.

Joe: Absolutely. Thank you very much for calling in. Thank you.

Operator: And we will take our next question from Steve Frasier. Your line is open.

Steve: Hey, Joe. It's Steve. How are you doing?

Joe: Hey, Steve. How are you doing?

Steve: Alright. Sorry, I actually only jumped on the call about 45 minutes ago. I had physical therapy this morning, so I missed your whole opening presentation. I do apologize for that.

One suggestion might be is that... I know this 9:30 timeframe on these conference calls--which is wonderful that you're doing all these conference

calls--but is there a possibility you can, maybe, change into like four o'clock to people, after work, can be listening to it? It's hard for people who do day jobs to jump in on a conference call, especially to ask questions, if they're at work. So, maybe in the future, you could look at that one?

Joe: Well, we've had our best--the reason why I started doing them at 9:30 is because we've actually had our best counts as far as people that are on the call, over in the afternoon--which we used to do. So, you're never going to line up everybody, it's unfortunate, but we'll change around the times and give everybody an opportunity to be on the call--which we've done and which we've been doing.

Steve: Absolutely. And you've had your more than fair share of conference calls, so I do commend you on that. That is great--and that you stay on as long as needed too, which most companies won't do.

Regarding the prior call and that continuity insulin thing, I think it's... it's a great idea, but I think it was, like you said, it was a project, it was an idea to use like an earring to measure glucose levels in the blood and send that bluetooth, to the smartphone to tell people to take insulin.

And then she showed our buccal delivery rapid mist device there as can be used with this. So, I don't think you guys actually supplied her with anything and she did any kind of testing; I think it was an idea, a theory--and it's a good one, but it's not something that... I think that's where the miscommunication with the prior called. I think he thinks that you guys supplied her with products and she did testing and got a working product. I think it's just a theory product.

Joe: Yeah, I thought it was a cute college project, yes.

Steve: Yeah, but it is a great idea, though. If it is possible to measure glucose levels through like an earring device, continuously monitor glucose levels and send it to your smartphones so people know when they actually need to take some insulin, I mean that is an excellent idea.

Joe: Well, I mean... they do that now--you have products like that now. It's on your arm, it monitors, and regulates, and tells you your levels and when to take insulin.

Steve: But isn't there a needle, though, that goes in your arm?

Joe: It's a needle that... there's no discomfort, it doesn't bother anyone, it doesn't hurt anyone, it's quite effective, and I don't have to be wearing this big, huge thing on my ear.

Steve: Right. It's just that I wonder if that needle thing could do a Bluetooth.

Investor Call Transcript 01 21 2020

Joe: If you like the way it looks on your ear because it's kind of bulky--and you like the way it feels on your ear.

Steve: [Chuckles] Well, I'm not wearing any earring.

Joe: I'm sure it's a viable product, as long as it's giving accurate readings. But again, there are plenty of devices out there that give you accurate readings, and so I'm not necessarily sure that the earring is one that is any different than the arm.

Steve: Fourth-quarter revenue, from the 10k essentially showed zero from the third quarter revenues. So, I assume there was some kind of revenue write-off from the prior three quarters, because obviously, you had revenue in the fourth quarter and just that was offset by some kind of write-off?

Joe: That's a good question. Is Mark Corrao on the phone? Maybe Mark can answer?

Steve: I'm sorry?

Joe: My CFO must have dropped off, he could have answered that question. I'm sure you'll--

Steve: I'm just curious, you said there was no change in revenue.

Joe: Well, again, like I told everybody, the last quarter--or the last conference call--we're filing the S-1, we have all the pieces now that we need to build a huge enterprise, we need to get the S-1 filed, we need to be able to get the dividend paid, we need to price the deal in the S-1, we need to file the addendum, get the money in, and then you'll see big revenues. But there's not going to be any revenues on a large scale without getting the full funding for us to write off all these pieces.

Steve: No, I understand that. But the multiple companies that you purchased last year all supposedly had revenues coming in, and so you expect to see those revenues flowing through online.

Joe: No, the MSO, they will have revenues--I mean Pantheon has nice revenues, MediSource has nice revenues, just not seeing those because of the digestion of those companies. Olaregen has just started to do nice revenues; as a matter of fact, in November, they did, as I said, about \$450,000 in revs.

But again, we need the funding, it's very limited on what these companies can do. For instance, if I gave Pantheon \$1 million, they'll add \$10 million in additional revenue. Why? Because I'm able to do more kits--more shoulder kits, more ankle kits, more knee kits, more toe kits. And the more kits I have, the more business we'll do, and Patheon has over 200 percent plus earning from where they were the quarter before.

So, there's no question, once we're funded, all these pieces will light up. And again--I'll say that again--we did get the Veneto MSO and that MSO has been dormant because it needs the money to light up those doctors with all the products and then other things that we're going to be providing to them.

Steve: So, how many of those MSO doctors do you think are dropping off because they're not doing anything right now? Are they looking at alternate MSOs to join and drop out of yours?

Joe: I have no idea about anything like that. No one has ever told me anything like that. That doesn't make sense to me because--

Steve: No, I'm not saying it's happening, but some doctors may have been shut down for a year.

Joe: No, that would make no sense to me since they invested in the MSO. I didn't invest in them, they invested in the MSO. So, if they want to lose their investment, then I'm sure they can leave; but if they don't want to lose their investment, I'm sure they won't.

Steve: No, that makes total sense. Regarding the S-1, I know the template S-1 has been with FINRA for over four weeks--about five weeks now. And again, I missed your update and I'm sure you gave this update in your comments on... what kind of timeframe are you looking at still for FINRA with the S-1?

Joe: Alright, so let me back up for you. So, we had better-than-expected results when we filed. We got our comment letter back in a day and a half, we filed it Thursday night, we got our comment letter back on Monday morning. And as our lawyers said, we couldn't have gotten a better result.

So, what they're waiting for now is just the addendum with the deal in it. They have no comments for us on what we already filed. This is unheard of...

Steve: If you're punching numbers in there... or just waiting for you to punch numbers in there to say...

Joe: No, they're waiting for us to put the deal up, the numbers are already in.

Steve: But there was about \$400 million, but it was always at a share price to be determined in the future or you guys give them some kind of notice in advance and then...?

Joe: I don't even know what you're talking about.

Steve: [Chuckling] Okay, I was reading through the S-1--and \$40 million, I'm sorry. Yeah, \$40 million.



Joe: Oh, that would go into the S-1 and the registration statement once our investment bank circles up the rest of the money, and they can only circle up the rest of the money. As I said before, once we're able to price the addendum and what the deal would be--but I can't do that till the dividend is paid. I can't do anything until the dividend is paid.

And again, I can give you a date tomorrow on what my projection is on closing ALTuCELL, but that would be completely wrong if I don't get the dividend approved by FINRA--and that's the government and that's out of my control.

So, will my dates be off if they approve me? Hell, yeah they would be. But there's nothing I could do about it. Now, if they approve me tomorrow, then I could give you dates to stick to those dates because I'll have the government in my lap. But as of right now, it's out of my hands.

Steve: Are you looking to expedite that date once FINRA gives you a date? Like if they did give you approval tomorrow, are you looking to, "Let's get this done on Friday."? Or are you going to have to give like a few weeks of timeframe?

Joe: No, I would do that immediately. As soon as FINRA gives me approval, it would be immediate. I want this dividend done already, because it's holding up every other aspect of the business.

Steve: I do like this dividend--I mean some people don't like that it's not a 1:1 of GNBT, but I do like the idea of the 2 for 5 in NGIO because NGIO could end up being worth more--the portion that we own of NGIO--as shareholders own of NGIO--could be worth more to us than the GNBT shares would actually be. So, it could end up being more than a 1 for 1, essentially, value-wise, for the shareholder.

Joe: Listen, I had to reconfigure the dividend as we all know, because I promised no more than \$70 million shares would be in the market. That was my promise. So, to keep that promise of it being on the \$70 million after the dividend would be done, I had to reconfigure it. That's what I promised. Nothing else, nothing more.

Now, what we did do was we kept it under 70 or less--which is where we're at with the new configuration--and we've given the additional NuGenerex Immuno-Oncology to get at least close to where we were at 1 for 1.

But again, I've never promised anything on what the dividend would be, I just promised we'd do one, and that would give us no more than 70 million shares out, which is right around where we'll be at the end of this dividend.

Steve: Well, I know you keep your promises--or try to keep your promises outside of outside influences. So, bringing the point, this Creek Mountain and them saying that you signed to release the restriction on the legend, and obviously,

you said that you did not sign that release on the legend. So, obviously, they're lying there. So, what kind of recourse do we have?

Joe:

No, I never said that that was the agreement. The agreement is that they would not sell their stock with--because they signed a waiver for the dividend, meaning that they would not refuse the dividend. They were entitled to get their shares unrestricted, I had no problem with them getting their shares unrestricted, because of the simple fact they've been waiting a long time and they said, "We would agree to give you your extension because we've never been at default with them." But every quarter, we'd get their extension, we get it in writing, and we're able to then enter that into our Qs and Ks.

So, again, I believe that they're even saying that we're in default. Well, if we're in default, we'd have to declare that in our Qs and Ks, and that would have rendered our extensions not true--and that's just not the case. We have extensions for every quarter up until the time--the November 30 was postponed because of their actions. They agreed to keep those shares in book entry... we even did them a favor and did it past a test at the transfer agent level of sending them 5,000 shares without the legend on, so they can feel comfortable that the legends have been removed. But they were supposed to keep those shares in book entry--as we agreed--until after the dividend was done. And they, behind our backs, went, took them out of book entry, put them in their accounts, and when shares started being sold in blocks, we had to do an investigation, we found out--to be honest, we couldn't even believe that they would be the ones that would be hurting us. And it was--it was them.

So, that's probably why they didn't file the 13G, because that typically would tip me off--that would have tipped me off, it's not a requirement for them... companies do get fined \$250,000, \$500,000 for not filing the 13G and we've seen that before in the litigation cases we've seen.

But again, that would have tipped me off immediately that they were trying to sell, and because they didn't file it, I never would have imagined it was them, breaking the covenants that we had.

So, again, I don't know this guy running the show--I dealt with one of the big fund managers that lived next to this guys, and he begged him for a job according to the big fund manager, and they stuck him in this one investment vehicle to protect their investment, I guess. So, he's not an investor, he never invested his money and I don't even know the guy.

Steve:

It's funny, his LinkedIn on shows that he was with Creek Mountain since August 2019, and I pointed that out. And all of a sudden, yesterday, he adjusted his LinkedIn to say that he's been there since August 2018 now, so he's been there a year and a half instead of six months. So, yes, a little fictions with the numbers there.

But anyway, like I said, Joe, I have every confidence that you had the agreements done with them and they broke the agreements--and which made no sense because they pushed the price down, which means the other shares they owned are worth less money and they stopped us from going onto the NASDAQ which would have made the shares worth even more. So, they really screwed us and themselves with all this.

Joe: Who knows maybe the next-door neighbor--this guy who runs it, who couldn't find a job from what I understand and they just stuck him there as a surrogate, protecting his two big fund managers.

So, again, I don't know what the case is there, personally and how this guy could have even gotten this job--I never dealt with him, I dealt with one of these big fund managers who shepherds this, and then he would run and get these guys' clients. So, again, I don't think I even had a conversation with this guy.

James: Alright, Joe. I've taken up enough of your time and I know you want to move on.

Joe: Alright. Well, listen, thank you for the call, for sure. Thank you.

Steve: Yeah, like I said, keep fighting for us; we do appreciate it and it is noticed by people, don't take criticism from some people as being negativity, it's just people--and it is what it is. So, just keep doing the hard work for us, and at some point you'll be rewarded for your hard work. I do appreciate it.

Joe: Yes, thanks. And I like to say the road is littered with bad actors on the OTC, I'm just not going to put up with this, and I'm more than happy to fight any of them any of them that goes and hurts the company or the shareholders--and that's what we've been doing.

Steve: I appreciate it, Joe. Thanks so much.

Joe: Thanks, Steve.

Operator: And we would go next to Ulrich Albrecht. Your line is open.

Ulrich: Good evening, from Germany. I actually have two questions for you. But first of all, you keep mentioning that you're planning to limit the number of shares--GNBT shares--to 70 million and honestly, I haven't really understood what you call, in many press releases, an equity instrument related to the S-1 funding. I was assuming that you would give out GNBT shares up to 40 million; now, you're saying you're limiting the shares to 70 million... honestly, I'm still confused about all these ceilings. Can you elaborate more on that?

Joe: Yes, again, you're mixing up two completely different things. So, when I said I promise no more than 70 million shares, that was what we have out to-date and the completion and the payment of the dividend. That has nothing-- nothing--to do with any funding or what it's going to cost us in stock to get that funding.

So, two separate items, two totally different areas. I was talking solely about the dividend and how many shares will be out once the dividend is paid-- nothing to do with the S-1. Zero.

Ulrich: Still, what's with the conditions on this 40 million funding equity instrument that you've costed? Can you elaborate on that?

Joe: Yeah, I can. There's no way of me knowing because I can't pay the dividend and I can't price that or even have an idea what the price is going to be for that. Again, I can't price the S-1 until this dividend is paid.

Ulrich: Yeah, I understand that part. The point is the entire market cap evaluation of the company is currently something like \$30 million, and if you're talking about \$40 million that you want to raise through this S-1 funding--and you're giving out shares for that--that means you're giving away half of the company. Is that true or not?

Joe: No, that's not the case whatsoever--and on the OTC, market caps aren't real, they're make-believe market caps, because it still doesn't recognize what the company's really valued, plus there's no real trading in our stock yet because of the dividend.

So, unless the dividend is paid and we're able to price-adjust, and then level off, and start building value, right now, there is no market cap in this company. Period. They're fake market caps.

Ulrich: Understood. And the point is--the truth, right now, is that the share price is something like 64 or 65 cents a share, and if you're raising \$40 million in funding--S-1 funding based on the current share price--that means you're giving away more than half of the company.

Joe: No, that's the case and I wouldn't do that because I was [crosstalking] as well. But that's not the case.

Ulrich: Then tell me where I am wrong with these thoughts, because this is how it appears to me.

Joe: Well, listen, again, I cannot price any instrument until the dividend is paid. Now, do I believe that we have so many things going on that once the dividend is paid? For instance--again, I'm going to say this one more time and I said this in the last conference call--we'll be adding, in my opinion, close to \$1 billion in liquid assets, which is our NuGenerex Immuno-Oncology, based

upon what we're doing with that company and based upon where we're going open or not, Generex would own all the shares.

So, putting close to a billion dollars--let's say it's a billion--I believe it would be--in liquid assets on Generex's balance sheet, what do you think the stock is going to go? A billion dollars.

Ulrich: To me it sounds almost like some sort of vicious cycle. You say you need all the funding in order to jumpstart all of the businesses and generate additional revenue which, in turn, would then be raising the share price. But at the same time, you're now needing the money in order to jumpstart, so you need to--again, my view of it...

Joe: You're incorrect again. I was talking about NGIO. NGIO is a development company, that is a cancer development company. There are no revenues, there are are no \_\_\_\_\_ [02:01:06] revenue for a very long time. That would be a value driver--and that value drive is like any other cancer company doing research, that stock is still on Generex's balance sheet. So, it has nothing to do with revenue generated at all.

Ulrich: Okay. So, you're expecting the spin-out of NGIO to happen very soon and you're expecting the share price to go significantly up? And then only after the GNBT share price went up, you will then be making use of the S-1 \$40 million funding bill.

Joe: Well, like I said earlier, we're almost done with the two-year audits that's necessary. We are almost done with the S-1, but we have to add management--which we've been talking to people, and trying to hire people--and board members, which have to go on to the S-1. As soon as that's complete, the S-1 would be completed, and we will take this company directly to NASDAQ stock exchange.

Now, Generex now owns all of the stock, all of the money we put into this company, and let's just call it \$500 million in liquid assets that Generex owns. What do you think is going to do to Generex's results?

Ulrich: Right now, you own all of Antigen Express and NGIO already, and nobody notices it. So, that means I have a very hard time to figure out how much value that would add to the value of GNBT.

Joe: Because it's not public. When it's public, it goes on the balance sheet; when it's private, it does not.

Again, this isn't rocket science, this is pretty simple and we've talked about market cap before, right? Fake market caps down there with stocks as a trade. So, again, you have a NASDAQ company that we own 85 percent of, and the stock is at \$4 or \$5 a share and I own \$300 million shares--and I'm giving a hypothetical. Let's say \$5 in liquid assets, what do you think will happen?

So, that's one big value driver that Generex has got. We have many, many, many others. So, do I believe after the bad actors get done selling their 12.4 million or I believe they're out now? Or do I believe the stock, once the dividend is paid, will stabilize and go up with all the good news that we have going on? Absolutely, I do. But that's my opinion and that's part of my plan.

But for sure, you know if I'm putting a massive asset that's liquid on the books of NuGenerex Immuno-Oncology. I believe that will drive the needle substantially, in addition to all the other great things we have going on.

Ulrich: Okay. That is understood. So, that means your current driver before the S-1 would be filed, you expect NGIO to significantly do good on the GNBT price per share? And because, otherwise, you would get into a vicious cycle because you first need the funding before you could start revenue, which the revenue would then be driving the share price. So, understood, you're counting on NGIO to do the trick. I understand.

Joe: I'm selling NGIO stock to get them the money they need, right? I'm not selling any Generex stock to get that money, so there will be a separate S-1 filed--a separate one--for NGIO only and that money, get them public onto the NASDAQ would be raised from that S-1--completely different to Generex's S-1--completely different.

Ulrich: Understood. I have one other question related to the Creek Mountain fund that got to "illegal selling." If, let's say, you could look into an ideal case and you say you win all your legal battles and everything, what do you expect in compensation from them for GNBT and what would you suggest to how you could as well compensate our shareholders additionally on our losses? So, what would that be? And in an ideal case, what would happen with them and how do you expect to get GNBT compensated and our shareholders compensated?

Joe: Right now, we're working first, the SEC front. Litigation would be sorted out after we've exhausted every avenue with the regulators.

So, right now, our attorneys have been working with the regulators in both of these matters and once those matters are sorted, then we would look at every and all litigation and liable actions we could bring to compensate for what we believe has seriously hurt Generex and its shareholders.

So, I don't have all the answers on that yet because we still are waiting for the SEC to finish their investigations--and again, we leave this in the capable hands of our new attorney, Robert Heim and his firm, they will sort all those out. We will report back as developments occur. But I have no idea what we would be looking at for any kind of compensation.

Investor Call Transcript 01 21 2020

Ulrich: Imagine an ideal case for yourself, what could you expect? If you would be the judge and you could decide, what would you try to make them do in order to properly compensate GNBT and our shareholders for their "wrongdoing"?

Joe: First, I would prefer they all go to jail, but that's not going to happen. I can't hypotheticalize on monetary enrichment--I have no idea. I really don't. I can't even guess what, potentially, what kind of compensation we could ever receive in the future. I don't know.

Ulrich: Okay. Well, thanks a lot. That's it from my side.

Joe: Thank you very much for the call.

Operator: And we would take our next question from Thomas Casera. Your line is open.

Thomas: Hey, Joe. How are you doing? Good morning.

Joe: Hey, how are you?

Thomas: Good. Joe, when everything falls into place, when you think--and you don't have to give me an exact time--that stocks would go back above \$2?

Joe: out everything yet--but we believe they have based upon the DTC sheets that we pull up every Monday--but that doesn't mean they didn't transfer a million shares somewhere else and I'm not just seeing it.

But again, I believe once they're gone and they're done shooting the shares into the market, things would stabilize, adjust, and then we can get back to the business of getting funding and executing so the stock price would get back to \$2. I mean, I think this company has more than enough great things going on--after fully-funded, which is why we filed the S-1, there will be so many value propositions being generated that there's not question in my mind that this is just a temporary little setback. No question in my mind.

Thomas: Where do you see Generex being from... let's say... I'm not talking about stock price now--company-wise, I'm talking about. Where do you see the company Generex being, let's say, two to three years from now?

Joe: Oh, I see the company fully built out in Arizona with hundreds of millions of dollars in revenue from modalities, with huge value drivers in the HMO, in managed care--of course, we'll have the best benefit packages with all of these pieces that we've been setting up for an HMO, to give patients the best outcomes in that market. Arizona is the third-best in the country behind California and Florida in managed care. So, I'm very excited about everything that we're creating and I'm very excited about the excitement the doctor have in Arizona--everyone we meet there wants to be part of what we're doing. And for sure, that's going to be a big value driver for us--I mean, look at any

HMO. Some of them make money, some of them lose big money. But they all face 100x multiples--even the ones that lose \$20 million a year. I can name one in California that loses 20 million a year, and its stock is \$165 a share, trading at 100:1-time multiples.

So, if you get the admin costs down, the would be making money. I believe that Sanjay Kumar and his team know what they're doing--they've done it multiple times before and they've created massive HMOs and it's all about benefit packages that you'll be able to offer when you're looking to get patients in an HMO--and then you've got all the value drivers of these modalities we're putting in place to take care of these patients, get the best outcomes, provide the best treatments and the best services to them in that market.

So, that's a big area for us; I definitely believe that our clinical trials will show a substantial value not only in that ones that are ongoing now, but the new ones--melanoma and bladder cancer that we're planning. And if we're bringing them and selling them that's going to blow up Generex, and Generex will be a big benefactor of that success that company will be doing.

So, there's more than enough things that we have on our plate and any one of them can substantially increase Generex's value proposition to this company--any one of them can.

Thomas: Right. I'm glad you brought up California and Florida. When Arizona takes off--and I'm sure it is taking off under your guidance--are you planning to extend beyond Arizona, like California, or Florida, or any other states?

Joe: Yeah, I mean that would be the plan. I mean, Arizona, for us, is the best market for us, it's not saturated at all--hell, the doctors there don't even know what the phrase "managed care" means in terms of HMO.

So, it's a great area to start out and again, it's all about us building huge backbones, partnering with those backbones and then being able to sell our own products, our own services, our own modality businesses through those backbones and conducting ourselves in a manner... highly compliant way where we can build an HMO that will add real, real value to this company.

Thomas: Right. Well, thank you. I do appreciate it. Have a good night. Bye, bye.

Joe: Thank you.

Operator: And we will take our last question from Emily Lee. Your line is open.

Emily: Hi, Joe. Thank you for taking my call.

Joe: Hi, Emily.



Emily: I have a question on NGIO. Would you be able to share with us the capital structure of NGIO and the valuation?

Joe: Well, the valuation, right now, is being worked on. But NGIO, back in 2011 alone, had valuations done by one of the premier companies that do valuation work on \_\_\_\_\_ [02:15:38]. And just breast cancer alone was valued at \$300 million--without a big pharma partner. Today, we're still in breast cancer, so that valuation would still hold, but we have two partners--and one big pharma partner.

So, we'll work on that with our investment bank that we're working with, and we will... when we open that up and take that to the public markets, we will open it up on what value based upon comps it should be. But right now, I'm not going to comment on what our investment bank believes the value is, because they're working on that. And once that's derived, we'll argue with them, they'll argue with us and they'll prove why the value is this and hopefully, we can come to the middle and have a good value--which I believe will happen.

Emily: And how many outstanding shares are you planning on issuing?

Joe: That we're still working on as far as the number of shares. That hasn't been publicly disclosed and once it's public the formulation of what we finally decide on will be done. It could be... it could be 200 million, it could be 300 million. If it's 100 million, then the value, obviously, would be much higher. If it's 200 million, it goes down slightly, if it's 300 million, it goes down even more.

So, we haven't decided fully yet what the cap base is going to look like; we do know that we have our first dividend that we gave shareholders and our second that we're trying to get done.

So, both of those dividends should put a total of about 20 million shares into the market with the dividends alone, and we believe that that is a grey area of the stock, having a liquid company out of the gate with whatever value and whatever cap base that we design when it goes public.

So, I don't have those answers yet, we're still deciding on how many shares we're going to put into the market and register. But within the next couple of weeks, that would be announced.

Emily: And you mentioned, previously, the NGIO would be traded on NASDAQ, off the back. So, is it safe to assume it's going to be at least \$2 then for the share price?

Joe: Oh, yeah, well, that would be up to us based upon real comps of what we believe--off of those real comps of other companies in the industry, as well as whatever appraisal value the company has based upon all things we've got

going on. We'll open it up where our investment bank partners, as well as our market maker partners, believe the company is worth.

So, like anything, it'll be price and that won't be done by me--it'll be done by the bankers and we will hopefully have a great stock. But we plan on listing directly on the NASDAQ stock exchange, there'll be no waiting for this one.

Emily: So, in the press release the other day, it was mentioned during the first quarter of the calendar year. So, is it safe to assume that the company...?

Joe: I wish it was done immediately after the dividend was paid. So, do I believe it'll be done first quarter? Yeah, I'd like to get it done as well. But again, I can't do anything until the dividend is paid, so I'd have to rely on the regulators--FINRA--to finish their process, ask whatever remaining questions is they have any left--if they want any other documentations, so get some of my lawyers to get that information, and I'm hoping that they approve that dividend in the coming days.

Until that's done, there is no spin-out of Antigen Express, there is no funding for Generex. Everything... I can't set any dates until that dividend to shareholders is paid. And again, out of my control... I'm not in the habit of calling up regulators and dictating to them what they need to do. They are very smart people, they know what they're doing, they have a process, they follow that process, we respect that process and we believe that the dividend would be paid soon and they would approve it.

As soon as that happens, then I can forecast and tell you when things would happen, because then it's all on me. But until that dividend's paid, I can't really forecast anything.

Emily: So, that leads me to the next question. So, with regard to FINRA approving the dividend, what's the delay? Is that because of all the illegal selling that has been going on or is that just the normal process for them to take a while?

Joe: No, there is... when we've done other corporate actions, they would require... I'll be specific. We had a large corporate action when we first took over the company in 2017; they had asked us for about 150 documents. Then it went from 150 documents down to 60 documents, and then it went from 60 documents to another 20 new documents; then it went from 20 new documents down to five new documents. And finally, they approved it.

So, there's no way of telling; each investigator is different, each has their own set of guidelines of which they want to see. All we can do is comply, there's no way of us ever knowing when they're going to say yes or no. But all I can tell you is we will pay the dividend, we will get approval, but it's the government. So, I can't guesstimate when that's going to happen.

Investor Call Transcript 01 21 2020

Emily: Alright. I was just wondering if it's just a situation probably because of the illegal selling, but...

Joe: No, I would imagine that with the SEC on one side, and this has to do with the broker and broke networks, and they handle all the stock as the dividend is distributed amongst the brokers.

So, I don't believe it's any of the stuff that's going on with the two bad actors whatsoever because they haven't asked any questions in that regard.

Emily: That's all I have. Thank you so much for your hard work, I appreciate it. Thank you for taking my questions.

Joe: Thank you, Emily. I appreciate all the calls and hopefully, we'll have another conference call next month and we'll get this dividend paid in the coming says or, hopefully, sooner--if it takes a week, then it's a week. But we will pay this dividend, that, I assure everyone and then this company can move on, get its funding that then light up the Christmas tree in terms of deploying that capital to build this big enterprise that we've put together.

So, I'm quite excited about the future, I really appreciate everybody's loyalty to Generex and calling in and asking questions whether they're tough or they're not. We don't spin calls and I appreciate everybody's call.

So, thank you all very much and I look forward to the next time we speak, and I hope this dividend will be paid sooner than later, so Generex can make all its shareholders happy.

Thank you very much for today's call.