

60 Degrees Pharmaceuticals, Inc.

Company moves forward with pivotal clinical study of Tafenoquine for hospitalized Babesiosis patients in the US. Adjusting price target to \$1.20 to account for dilution.

United States
Healthcare

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COMPANY UPDATE

Rating: BUY

Ticker: SXTP

Price: \$0.29

Target: \$1.20
From \$2.40

FDA greenlights pivotal clinical trial: Following a Type C meeting with FDA on January 17, 2024, 60 Degrees Pharma now plans to conduct a pivotal clinical study in the US in support of a future indication for tafenoquine for treatment of hospitalized babesiosis patients. The company expects patient enrollment to begin in the summer of 2024.

Babesiosis represents incremental opportunity after Malaria: In the US, there are at least 47,000 cases of Babesiosis, a tick-borne disease that co-infects with Lyme Disease in 10% of reported Lyme Disease cases. Given Tafenoquine's mechanism of action against Babesiosis, the company believes that it will also prove effective against Lyme Disease, once clinical studies are conducted. There are 470,000 new cases of Lyme disease in the US for which ARAKODA could serve as a post-exposure prophylaxis.

Company appoints Kristen Landon Chief Commercial Officer: 60 Degrees Pharma announced it has appointed Kristen Landon to the newly created role of Chief Commercial Officer. Ms. Landon's experience includes Senior VP of Marketing and Communications at TherapeuticsMD, VP of Marketing at Radius Health, VP of Marketing at Sprout, and Executive Director of Women's Health Global Brands at Actavis. The appointment bodes well for 60 Degrees' plans to commercialize its key asset: ARAKODA for Malaria prophylaxis.

60 Degrees exploring use of Tafenoquine for Candida auris: The company announced it will, through its majority-owned subsidiary 60P Australia Pty Ltd, sponsor a series of animal studies to investigate whether single-dose parenteral administration of tafenoquine exhibits efficacy against *Candida* yeast infections, including *Candida auris* (*C. auris*). *C. auris* is strain of fungal yeast which can be treatment resistant and pose a risk of serious infection in the bloodstream and elsewhere, especially in hospitalized patients. Given the antiviral properties and demonstrated safety profile of Tafenoquine, 60 Degrees Pharma continues to look for new indications beyond its approved use for Malaria prophylaxis.

Balance sheet strengthened with public offering: The company exited September with \$2.2 million of cash on the balance sheet. On January 31, SXTP closed a new offering of stock and warrants which should add an estimated \$1.9 million to the company's Balance Sheet, helping to fund the planned clinical trial of Tafenoquine for hospitalized Babesiosis patients. We estimate SXTP will likely need to raise money again by Q3 FY24.

Adjusting estimates for dilution: With the January offering, 60 Degrees will have increased share count from 5.8M to an estimated 11.1M shares. We are adjusting our pro forma FY24 estimate to \$(0.44), with revenues unchanged at \$0.8 million. This compares to consensus of \$(0.78).

12-month price target adjusted to account for dilution: Given approximately 4.9 million additional shares issued in the January offering, we are adjusting our price target to \$1.20 (from \$2.40), with no change to our market value estimate. This is based on a NPV analysis, representing 3x upside from the current share price. We believe this valuation appropriately balances out the company's high risks with the company's high growth prospects and large upside opportunities.

Company Description

Based in Washington, DC, 60 Degrees Pharmaceuticals, Inc. is a drug company specializing in therapeutics for major infectious diseases.

Stock Data

Exchange:	NasdaqCM
52-week Range:	\$0.26-8.65
Shares Outstanding (million):	11.1
Market cap (\$million):	\$3.2
EV (\$million):	\$0.8
Debt (\$million):	\$0
Cash (\$million):	\$2.4
Avg. Daily Trading Vol (\$ millions):	\$0.03
Float (million shares):	4.1
Short Interest (million shares):	0.5
Dividend, annual (yield):	NA

Revenues (US\$ million)

	2023E (Cur.)	2023E (Old.)	2024E (Cur.)	2024E (Old.)
Q1 Mar	0.0A		0.1E	
Q2 Jun	0.1A		0.2E	
Q3 Sep	0.1A		0.2E	
Q4 Dec	0.1E		0.3E	
Total	0.3E		0.8E	
EV/Rev	6x		2.3x	

Earnings per Share (pro forma)

	2023E (Cur.)	2023E (Old.)	2024E (Cur.)	2024E (Old.)
Q1 Mar	(0.91)A		(0.14)E	(0.18)E
Q2 Jun	(0.79)A		(0.11)E	(0.21)E
Q3 Sep	(0.31)A		(0.11)E	(0.22)E
Q4 Dec	(0.14)E		(0.09)E	(0.18)E
Total	\$(2.30)E		\$(0.44)E	\$(0.78)E
PE	NA		NA	

Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 12.

Exhibit 1: 60 Degrees Pharmaceuticals Investment Highlights

Investment Highlights

- **ARAKODA – a long-acting, potentially broad-spectrum, anti-infective already FDA-approved for malaria prevention and commercially available in the U.S.**
 - Safe, long acting, mechanistically differentiated antimalarial approved by FDA
 - Discovered by US Army and successfully brought to market by 60P
 - 1,100+ patient exposures in 8+ published clinical trials, weekly dosing for up to one year
 - Commercially available in U.S. via network of major national distributors
 - Existing commercial/regulatory infrastructure expected to facilitate cost-effective pathway to new/expanded indications following targeted clinical trial and label changes
- **Arakoda Regimen of Tafenoquine – Research agenda involving COVID-19 and other diseases**
 - Malaria, COVID-19, fungal, tick-borne illness of interest to the Company affect millions and are associated with a potentially multi-billion-dollar unmet medical need
 - Company has strong IP for malaria, COVID-19, and other indications
 - Accelerated clinical recovery from COVID-19 symptoms suggested results from 2021 double-blind, placebo-controlled, randomized Phase II study
 - 2023: Launch of ACLR8-LR, a Phase 2b study in low-risk COVID-19 patients
 - 2024: Second COVID-19 clinical planned
- **Experienced management team and Board**
 - Team has together led/managed four clinical trials
 - Collectively led multiple pharmaceutical product approvals/product launches
 - Collectively led/provided guidance on 20+ public & private entities
 - Participated in/led multiple public listings

Source: Company Reports

Exhibit 2: Overview of ARAKODA

Overview

The team at 60 Degrees Pharmaceuticals, a growth-oriented biotech company, specializes in developing and commercializing new therapies used in preventing and treating serious infectious diseases.

Cutting-edge biological science and applied research form the foundation of our highly-focused, advanced clinical strategy.

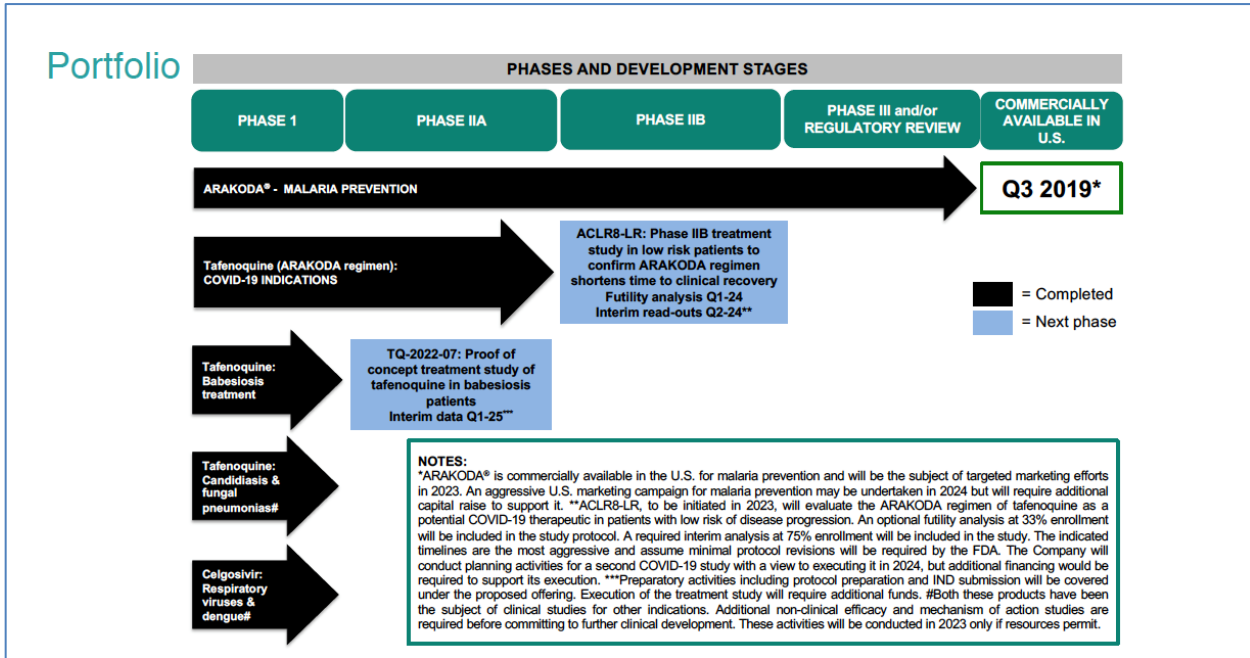
In 2018, 60 Degrees Pharmaceuticals was awarded U.S. regulatory approval of ARAKODA® (tafenoquine), a malaria preventative treatment.

COVID-19, fungal, tick-borne, and other serious viral diseases are targets in our current product development pipeline, given the relevant unmet needs we perceive in the marketplace.



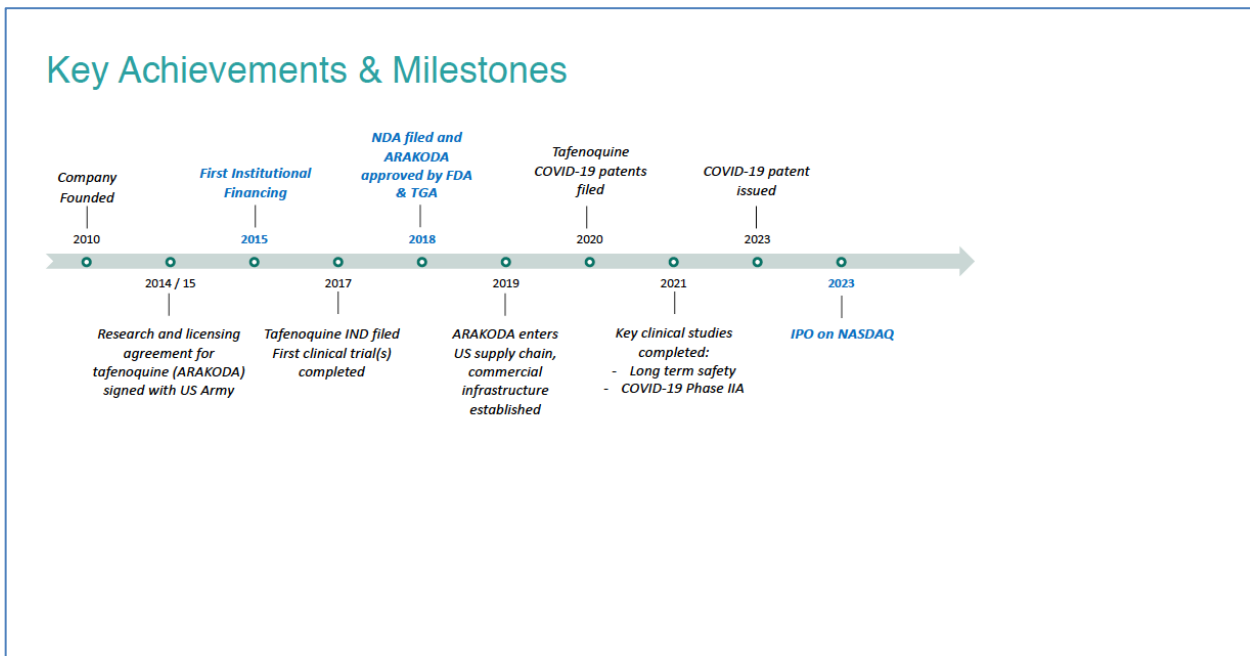
Source: Company Reports

Exhibit 3: 60 Degrees Pharmaceuticals Product Portfolio



Source: Company Reports

Exhibit 4: 60 Degrees Pharmaceuticals Key Milestones



Source: Company Reports

Exhibit 5: 60 Degrees Pharmaceuticals Supply Chain



Source: Company Reports

Exhibit 6: 60 Degrees Pharmaceuticals Intellectual Property

Intellectual Property & Licensing

60 Degrees Pharmaceuticals has freedom to operate

- **U.S. Arakoda Patents (2 issued/6 in progress)**
 - Tafenoquine for malaria prevention patent family: **Earliest expiration December 2034**
 - Tafenoquine for lung Infections/COVID Treatment: **Earliest expiration March 2041**
- **U.S. Celgosivir Patents**
 - Dengue/RSV (4 issued/2 in progress)
 - COVID-19 licensed from FSU (1 issued/1 in progress)
- **International Patents**
 - 6/2 for Celgosivir issued/in progress, 1/8 for tafenoquine issued/in progress
- **Clinical, non-clinical and manufacturing information:**
 - Worldwide rights for all indications [except P. vivax malaria] licensed from US Army

Existing License & Distribution Agreements [Malaria]

Territory	Partner
Europe	Scandinavian Biopharma
Australia, NZ, Pacific Islands	Bioelect
Canada, Latin America, Israel, Russia	Knight Therapeutics

Source: Company Reports

Exhibit 7: 60 Degrees Pharmaceuticals Officers and Directors

Officers & Directors



Geoffrey Dow MBA PHD, CEO & Chairman

- Affiliations: WRAIR, USAMMDA
- Founded & led 60P from 2010-2023
- Industry Project Leader on Arakoda NDA



Ty Miller, CFO

- CPA
- CFO since 2014
- Over 20 years in Private Practice



Bryan Smith MD, Chief Medical Officer

- Retired US Army Colonel/30+ years experience
- Two successful NDAs as a Chief Medical Officer
- Medical affairs/regulatory expert in GxP environment



Jenny Herz, Director of 60P Australia since 2013

- 20 years commercial experience in pharma (Sanofi, AZ)
- International launch experience with multiple products
- Co-founder of Biointelect and Biocellect
- Board experience in public, private, NFP sectors



Cheryl Xu, Director

- First PhRMA representative to China
- Senior Advisor to multinationals (market access and expansion)
- Project Leader (multiple public health projects)



Stephen Toovey MD, PHD Director

- Affiliations: Roche, Pegasus Research, WHO Collaborating Centre for Vaccines and Travel Medicine, London, UK
- Tropical medicine subject matter expert
- Respiratory virus subject matter expert



Paul Field, Director

- Affiliations: GARDP, Immunexus, Marinova
- 30 years global biotech business development experience
- Previously investment specialist at Austrade, focused on tropical medicine and NTDs



Charles Allen, Director

- Affiliations: BTCS & GBV
- CEO & Chairman of NASDAQ listed company
- Managing Director, several boutique investment banks
- Broad business experience across multiple sectors

Source: Company Reports

Exhibit 8: ARAKODA Product Factsheet

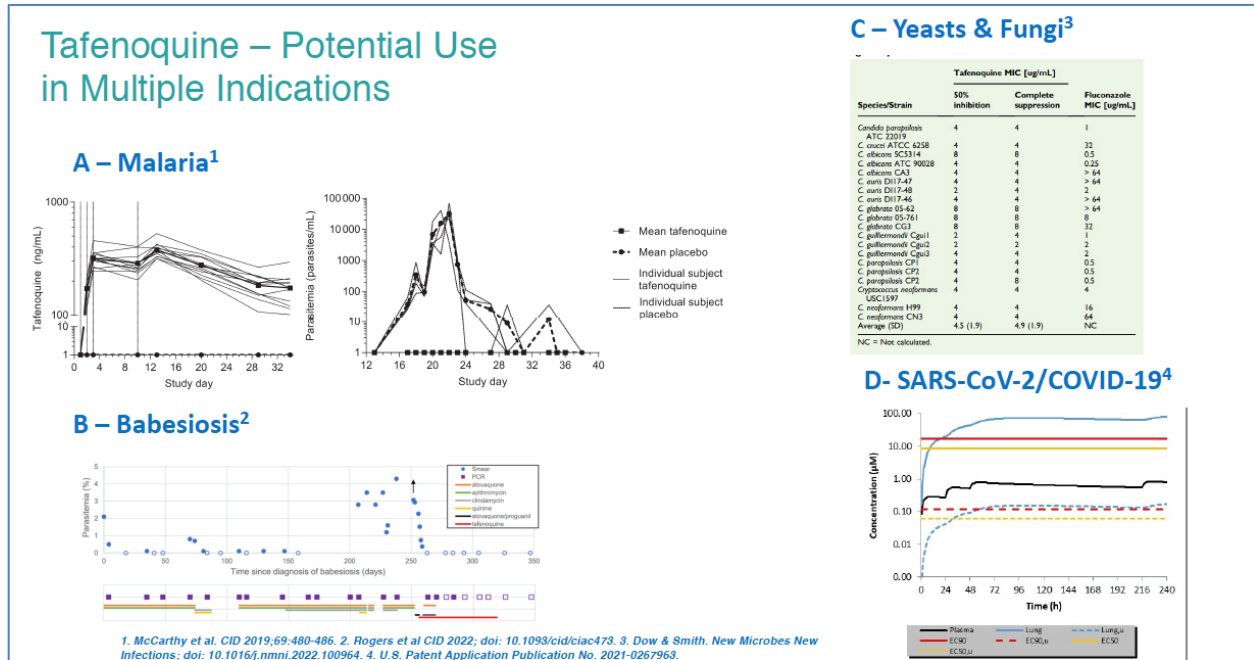
About ARAKODA® [tafenoquine succinate]

- Developed by US Army as a prophylactic antimalarial (through 2013)
- 60P and USAMMDA formed a partnership in 2014:
 - FDA approval in 2018 [for malaria prevention]
 - Commercially available in U.S. from Q3 2019
- Dosing & Duration of Use
 - Load: 200 mg/day x 3 days
 - Maintenance: 200 mg once per week
- Safety Profile
 - 8 published clinical studies involving > 1,100 patients
 - Overall adverse event rate of tafenoquine 200 mg weekly for 52 weeks is comparable to placebo.
 - G6PD screening required prior to use
 - See paper in *Travel Medicine & Infectious Disease* [Long-term safety of the tafenoquine antimalarial chemoprophylaxis regimen: A 12-month, randomized, double-blind, placebo-controlled trial - ScienceDirect]



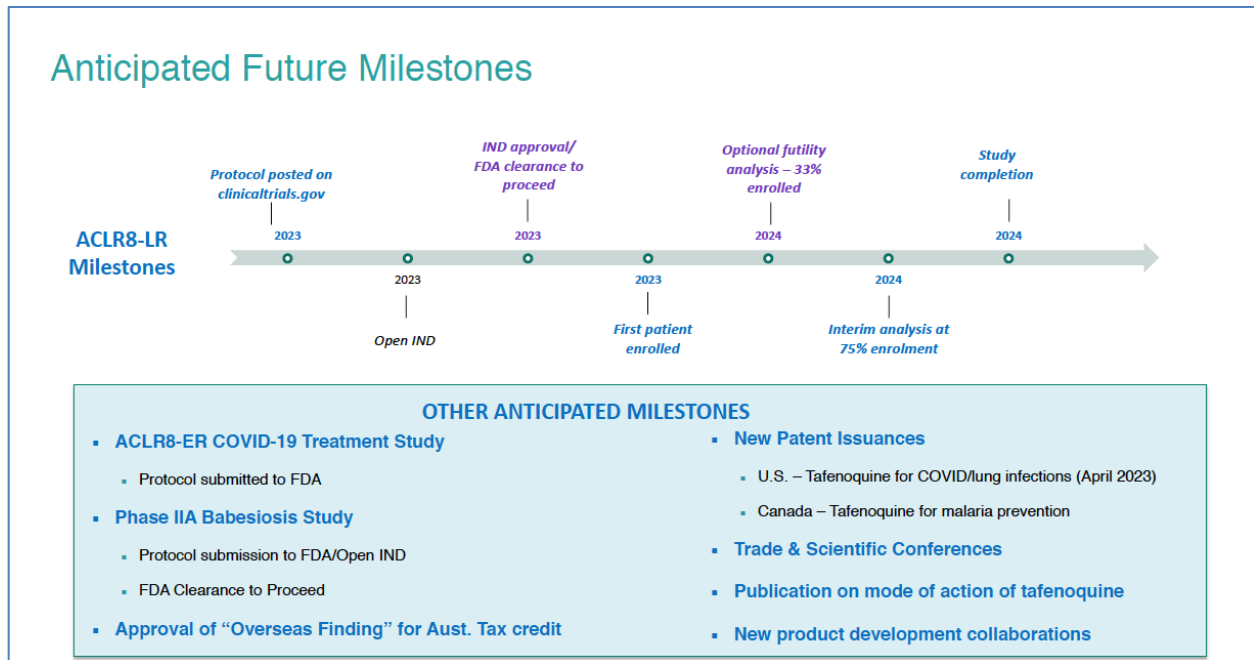
Source: Company Reports

Exhibit 9: Tafenoquine Use in Multiple Indications



Source: Company Reports

Exhibit 10: 60 Degrees Pharmaceuticals Anticipated Future Milestones



Source: Company Reports

Exhibit 11: 60 Degrees Pharmaceuticals use of IPO Funds

Use of IPO Funds

Item	Amount
General Corporate Purposes	\$2,411,276
Debt Repayment	\$1,925,000
Research and Development	\$3,200,000
R+D Tax Credits	(\$1,400,000)
Total*	\$6,336,276

*Represents net proceeds from the offering

Source: Company Reports

Exhibit 12: SXTP Consensus Expectations

	Revenue (\$ million)		EPS		
	<u>FY2023E</u>	<u>FY2024E</u>	<u>FY2023E</u>	<u>FY2024E</u>	
Q1 Mar	\$0.0A	\$0.1E	Q1 Mar	\$(0.91)A	\$(0.18)E
Q2 Jun	\$0.1A	\$0.2E	Q2 Jun	\$(0.79)A	\$(0.21)E
Q3 Sep	\$0.1A	\$0.2E	Q3 Sep	\$(0.31)A	\$(0.22)E
Q4 Dec	\$0.1E	\$0.3E	Q4 Dec	\$(0.14)E	\$(0.18)E
Total	\$0.3E	\$0.9E	Total	\$(2.30)E	\$(0.78)E

Source: Company reports, CapitalIQ, Ascendant Capital Markets Estimates

Exhibit 13: 60 Degrees Pharmaceuticals, Inc. Daily Stock Price Since IPO (July 2023)



Source: <https://bigcharts.marketwatch.com/>

FINANCIAL MODEL

60 Degrees Pharmaceuticals, Inc.

Income Statement (\$ mils)	2020	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024
Fiscal Year End: December 31	FY-A	FY-A	Q2A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Research Grant Revenues (1, 2)	0.4	5.2	0.1	(0.0)	0.2	0.0	0.3	0.0	0.0	0.1		0.1					0.0
Product Revenues (3)	2.2	1.1	0.0	0.0	0.2	(0.1)	0.2	0.0	0.1	0.1	0.1	0.2	0.1	0.2	0.2	0.3	0.8
Service Revenues		0.1					0.0					0.0					0.0
Total Revenue	2.5	6.4	0.2	0.0	0.4	(0.1)	0.5	0.0	0.1	0.1	0.1	0.3	0.1	0.2	0.2	0.3	0.8
Cost of Goods Sold	0.7	0.9	0.1	0.1	0.1	0.1	0.4	0.1	0.2	0.1	0.2	0.5	0.2	0.2	0.2	0.3	0.9
Gross Profit	1.8	5.5	0.1	(0.0)	0.2	(0.2)	0.1	(0.1)	(0.1)	0.1	(0.1)	(0.2)	(0.1)	(0.0)	0.0	0.0	(0.1)
R & D Exp.	0.8	5.5	0.1	0.2	0.2	0.0	0.5	0.1	0.2	0.3	0.2	0.8	0.4	0.6	0.7	0.5	2.2
Selling General & Admin Exp.	1.5	1.1	0.2	0.4	0.3	0.5	1.3	0.8	0.5	1.3	0.5	3.1	0.6	0.6	0.6	0.6	2.2
Other Operating Expense/(Income)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	2.3	6.6	0.2	0.6	0.4	0.5	1.8	0.9	0.7	1.6	0.7	3.8	1.0	1.2	1.3	1.1	4.4
Operating Income	(0.4)	(1.1)	(0.2)	(0.7)	(0.2)	(0.7)	(1.8)	(1.0)	(0.8)	(1.5)	(0.8)	(4.1)	(1.0)	(1.2)	(1.3)	(1.0)	(4.5)
Interest Expense	(2.6)	(3.2)	(0.8)	(0.9)	(1.2)	(1.1)	(4.0)	(1.1)	(1.1)	(0.0)	(0.0)	(2.3)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Interest and Invest. Income												0.0					
Total Interest and Other Income (Expense)	(2.6)	(3.2)	(0.8)	(0.9)	(1.2)	(1.1)	(4.0)	(1.1)	(1.1)	(0.0)	(0.0)	(2.3)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Derivative Expense				(0.5)	0.2	(0.2)	(0.5)		(0.4)			(0.4)					
Change in Fair Value of Derivative Liabilities				(0.0)	(0.0)	0.0	(0.0)	(0.0)	0.0	0.1		0.1					
Gain on Debt Extinguishment						0.1	0.1	(0.8)	0.0	(0.4)		(1.2)					
Gain in Fair Value of Promissory Note						0.0	0.0	0.3	(1.1)	6.1		5.4					
Other (Expense) Income		0.0	0.0	(0.1)	0.0	(0.0)	(0.0)	0.0	0.0	(0.1)		(0.1)					
Extra Items	0.0	0.0	0.0	(0.6)	0.2	(0.1)	(0.4)	(0.5)	(1.5)	5.7	0.0	3.8	0.0	0.0	0.0	0.0	0.0
Earnings Before Tax	(3.0)	(4.3)	(0.9)	(2.1)	(1.2)	(1.9)	(6.2)	(2.6)	(3.3)	4.2	(0.8)	(2.6)	(1.0)	(1.2)	(1.3)	(1.0)	(4.5)
Income Tax Expense	0.0	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income before Minority Interest	(3.0)	(4.3)	(0.9)	(2.2)	(1.2)	(1.9)	(6.2)	(2.6)	(3.3)	4.2	(0.8)	(2.6)	(1.0)	(1.2)	(1.3)	(1.0)	(4.5)
Unrealized Foreign Currency Translation Gain (Loss)						(0.0)						0.0					
Minority Int. in Earnings	(0.0)	(0.0)	0.0	(0.0)	(0.0)	(0.0)	(0.0)	0.0	(0.0)	(0.0)	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0
Comprehensive Net Income	(3.0)	(4.3)	(0.9)	(2.1)	(1.2)	(1.9)	(6.2)	(2.6)	(3.3)	4.2	(0.8)	(2.6)	(1.0)	(1.2)	(1.3)	(1.0)	(4.5)
Cumulative dividends on Series A Preferred Stock											0.1						
Net Income to Common	(3.0)	(4.3)	(0.9)	(2.1)	(1.2)	(1.9)	(6.2)	(2.6)	(3.3)	4.1	(0.8)	(2.6)	(1.0)	(1.2)	(1.3)	(1.0)	(4.5)
Net Income Pro Forma	(3.0)	(4.3)	(0.9)	(1.6)	(1.4)	(1.8)	(5.7)	(2.1)	(1.9)	(1.6)	(0.8)	(6.3)	(1.0)	(1.2)	(1.3)	(1.0)	(4.5)
Diluted EPS	NA	NA		(0.91)	(0.51)	(0.81)	(2.59)	(1.13)	(1.40)	0.77	(0.14)	(0.93)	(0.14)	(0.11)	(0.11)	(0.09)	(0.44)
Diluted EPS Pro Forma	NA	NA	NA	(0.68)	(0.60)	(0.76)	(2.41)	(0.91)	(0.79)	(0.31)	(0.14)	(2.30)	(0.14)	(0.11)	(0.11)	(0.09)	(0.44)
Weighted Avg. Diluted Shares Out.	NA	NA		2.35	2.39	2.39	2.38	2.30	2.38	5.32	5.80	2.75	7.56	11.07	11.07	11.07	10.19

1) research revenues have historically been derived mostly from a single, awarded research grant in the amount of \$5.72 million in 2021 from the JPEO to study ARAKODA in low risk COVID-19 patients.
2) Research revenues from the Australian Tax Authority were \$4,292 in Q1 2023 compared to \$22,239 in Q2 2022.
3) The decrease in sales was mainly due to end of a 3-year Arakoda US Army acquisition contract that involved purchasing a full lot (7,500 boxes) in 2020 and a half lot (3,750 boxes) in 2021.

	2020	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024
Margins																	
Gross margin	72%	87%	-133%	63%	260%	15%	-241%	-194%	44%	-100%	-70%	-43%	-18%	0%	7%	-9%	
R & D Exp.	32%	87%	618%	51%	-62%	103%	578%	325%	208%	200%	255%	286%	353%	318%	185%	275%	
Selling General & Admin Exp.	57%	18%	1084%	72%	-599%	255%	3611%	739%	1036%	500%	982%	393%	324%	250%	204%	275%	
Operating margin	-16%	-18%	-1835%	-60%	921%	-342%	-4429%	-1258%	-1201%	-800%	-1306%	-721%	-694%	-568%	-381%	-559%	
Net margin	-134%	-64%	-337%	-273%	-379%	-338%	-289%	-500%	266%	-116%	-67%	-107%	-104%	-101%	-99%	-103%	
Y/Y % change																	
Revenue		149%															
COGS		21%					-49%	-19%	111%	-46%	61%	22%	174%	9%	209%	25%	
Gross Profit		198%					-99%	-170%	144%	-75%	-50%	-376%	16%	-75%	-100%	-120%	
R & D Exp.		583%					-90%	97%	-12%	44%	313%	51%	223%	194%	165%	150%	
Selling General & Admin Exp.		-23%					17%	344%	14%	408%	8%	134%	-29%	19%	-58%	10%	
Total operating expenses		193%					-72%	278%	5%	257%	36%	110%	6%	72%	-21%	50%	
Operating Income		169%					56%	481%	15%	607%	12%	132%	6%	50%	-18%	29%	
Net income		40%					45%	185%	55%	-448%	-58%	-58%	-61%	-64%	-130%	28%	
EPS									54%	-252%	-83%	-64%	-88%	-92%	-115%	-33%	

Source: Company reports, Ascendant Capital Markets estimates

60 Degrees Pharmaceuticals, Inc.

Balance Sheet (\$ mils)	Dec-20	Dec-21	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Fiscal Year End: December 31	Q4A	Q4A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
Current Assets												
Cash And Equivalents	0.19	0.12	0.44	0.26	0.03	0.02	2.22	1.41	2.39	1.20	(0.06)	(1.10)
Accounts Receivable	0.86	0.15	0.20	0.05	0.08	0.13	0.14	0.14	0.14	0.14	0.14	0.14
Prepaid Exp.	0.35	0.23	0.16	0.20	6.51	6.28	5.94	5.94	5.94	5.94	5.94	5.94
Deferred Offering Costs				0.07	0.09	0.22						
Inventory	1.04	0.69	0.73	0.52	0.62	0.47	0.60	0.60	0.60	0.60	0.60	0.60
Total Current Assets	2.44	1.18	1.52	1.10	7.33	7.11	8.89	8.08	9.06	7.87	6.61	5.57
Property, Plant & Equipment, net												
Property, Plant & Equipment, net	0.07	0.05	0.03	0.02	0.07	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Right of Use Asset		0.06	0.02	0.01		0.04	0.03	0.03	0.03	0.03	0.03	0.03
Intangible Assets	0.08	0.11	0.11	0.16	0.19	0.21	0.23	0.23	0.23	0.23	0.23	0.23
Other Long-Term Assets	0.01		0.01									
Total Assets	2.61	1.39	1.69	1.30	7.59	7.36	9.15	8.34	9.32	8.13	6.87	5.83
LIABILITIES												
Accounts Payable	1.38	0.59	0.45	0.76	0.84	1.06	0.27	0.27	0.27	0.27	0.27	0.27
Lease Liability		0.05	0.03	0.01	0.05	0.04	0.03	0.03	0.03	0.03	0.03	0.03
Deferred Compensation			0.33			0.30	0.00	0.00	0.00	0.00	0.00	0.00
Related Party Notes				0.20	0.49	0.37	0.00	0.00	0.00	0.00	0.00	0.00
Debenture				4.28			0.00	0.00	0.00	0.00	0.00	0.00
SBA EIDL				0.00		0.01	0.01	0.01	0.01	0.01	0.01	0.01
Promissory Notes at Fair Value				16.86	22.62	23.54	0.00	0.00	0.00	0.00	0.00	0.00
Promissory Notes						1.11	0.00	0.00	0.00	0.00	0.00	0.00
Derivative Liabilities			1.13	1.13		2.08	2.17	2.17	2.17	2.17	2.17	2.17
Derivative Liabilities - Related Parties			0.38	0.36		0.36	0.00	0.00	0.00	0.00	0.00	0.00
Other Current Liabilities	0.06		0.10		1.54							
Short-term Borrowings				0.20	0.49	0.37	0.00	0.00	0.00	0.00	0.00	0.00
Curr. Port. of LT Debt				21.14	22.62	24.65	0.00	0.00	0.00	0.00	0.00	0.00
Total Current Liabilities	1.43	0.64	2.09	23.92	25.54	28.86	2.48	2.48	2.48	2.48	2.48	2.48
Deferred Compensation												
Deferred Compensation	0.10	0.15	0.35	0.26	0.26		0.00					
Long-Term Leases												
Long-Term Leases		0.01					0.00					
Debt												
Debenture	2.60	3.39	4.04				0.00					
Related Party Note	3.22		0.10				0.00					
SBA EIDL	0.15	0.16	0.16	0.16	0.16	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Promissory Notes	13.16	15.20	17.19	1.11	1.16	1.22	0.00	0.00	0.00	0.00	0.00	0.00
Total Long-Term Debt	19.14	18.74	21.50	1.27	1.32	1.37	0.15	0.15	0.15	0.15	0.15	0.15
Total Liabilities	20.68	19.55	23.94	25.45	27.12	30.24	2.63	2.63	2.63	2.63	2.63	2.63
Equity												
Members' Capital	0.80	4.98			0.00	0.00						
Preferred Stock							9.86	9.86	9.86	9.86	9.86	9.86
Common Stock			0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Additional Paid In Capital		-	5.16	5.16	12.38	12.38	27.18	27.18	29.18	29.18	29.18	29.18
Accumulated Other Comprehensive Income	0.08	0.08	0.06	0.07	0.07	0.07	0.08	0.08	0.08	0.08	0.08	0.08
Retained Earnings	(18.38)	(22.63)	(26.89)	(28.82)	(31.42)	(34.75)	(30.57)	(31.38)	(32.40)	(33.59)	(34.85)	(35.89)
Total Common Equity	(17.50)	(17.58)	(21.67)	(23.58)	(18.96)	(22.30)	6.55	5.74	6.72	5.53	4.27	3.23
Minority Interest	(0.57)	(0.58)	(0.58)	(0.57)	(0.57)	(0.58)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)
Total Equity	(18.07)	(18.15)	(22.25)	(24.15)	(19.53)	(22.88)	6.52	5.71	6.69	5.49	4.23	3.19
Total Liabilities And Equity	2.61	1.39	1.69	1.30	7.59	7.36	9.15	8.34	9.32	8.13	6.87	5.83

	Dec-20	Dec-21	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
	Q4A	Q4A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
Balance Sheet Drivers												
Accounts Receivable (Days)		2	49	(53)	347	180	98	124	89	73	56	46
Inventory (Days)		10	183	(601)	2610	669	425	538	385	317	245	199
Accounts Payable (Days)		62	313	549	1029	518	343	122	122	122	111	98
Book & Cash Value (per share)												
Book Value per Share (diluted)			(9.33)	(10.09)	(8.20)	(9.93)	2.74	1.07	1.15	2.00	0.56	0.29
Cash per Share (diluted)			0.18	0.11	0.01	0.01	0.93	0.26	0.41	0.44	(0.01)	(0.10)
Net cash per Share (diluted)			(8.83)	(9.34)	(10.25)	(11.45)	0.87	0.24	0.39	0.38	(0.03)	(0.11)

Source: Company reports, Ascendant Capital Markets estimates

60 Degrees Pharmaceuticals, Inc.

Cash Flow Statement (\$ mils)	2020	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024
Fiscal Year End: December 31	FY-A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Net Income	(3.03)	(4.26)	(0.91)	(2.15)	(1.20)	(1.95)	(6.18)	(2.60)	(3.34)	4.17	(0.81)	(2.58)	(1.02)	(1.19)	(1.26)	(1.04)	(4.51)
Adjustments to Net Income																	
Depreciation	0.03	0.03	0.02	0.02		0.02	0.03		0.02	0.00							
Amortization		0.00					0.01	0.33	0.55	(0.86)							
Amortization of Debt Discount		0.60					1.09	0.34		0.33							
Amortization of ROU Asset		0.04					0.05	0.01		0.02							
Amortization of Note Issuance Costs							0.07	0.04		0.03							
Amortization of Capitalized Services										0.69							
Stock-based Compensation										0.67							
Gain on Debt Extinguishment							(0.12)			1.23							
Change in Fair Value of Derivative Liabilities							0.01			(0.10)							
Derivative Expense							0.50			0.40							
Change in Fair Value of Promissory Note										(5.38)							
Inventory Reserve		0.04					0.22			(0.14)							
Changes in Operating Assets and Liabilities																	
Change in Acc. Receivable	(0.66)	0.71	(0.03)	0.13		0.15	0.10	(0.04)	(0.04)	(0.84)	0.00	(0.92)	0.00	0.00	0.00	0.00	0.00
Prepaid and Other		0.14					0.02	0.02		(1.53)							
Change in Inventories	0.19	0.31	(0.04)	(0.02)		(0.02)	(0.05)	(0.11)	0.11	0.06	0.00	0.06	0.00	0.00	0.00	0.00	0.00
Change in Inventory Reserves										0.00							
Change in Acc. Payable	0.80	(0.84)	0.09	(0.12)		0.25	0.17	0.08	0.22	(0.79)	0.00	(0.49)	0.00	0.00	0.00	0.00	0.00
Accrued Interest		2.57					2.69	0.76		0.51							
Reduction of Lease Liability		(0.04)					(0.05)	(0.01)		(0.02)							
Deferred Compensation		0.05					0.43	0.04	0.60	(0.74)							
Stock based Compensation								0.21	0.07	(0.28)							
Gain on Debt Extinguishment								0.84									
Change in Fair Value of Derivatives Liability								0.01									
Change in Fair Value of Promissory Notes								(0.34)									
Other Operating Activities									1.50	(1.17)	0.00	0.33	0.00	0.00	0.00	0.00	0.00
Net cash used in operating activities	(0.17)	(0.65)	(0.10)	(0.53)		(0.07)	(1.01)	(0.41)	(0.32)	(3.74)	(0.81)	(5.28)	(1.02)	(1.19)	(1.26)	(1.04)	(4.51)
Capitalization of Patents		(0.03)					(0.03)	(0.00)	(0.02)	(0.01)							
Purchase of PP&E		(0.00)								(0.00)							
Sale (Purchase) of Intangible assets	(0.07)		(0.00)	(0.00)		(0.06)	(0.03)			(0.02)							
Net cash used in investing activities	(0.07)	(0.04)	(0.00)	(0.00)		(0.06)	(0.06)	(0.00)	(0.02)	(0.03)	0.00	(0.05)	0.00	0.00	0.00	0.00	0.00
Proceeds from Stock Offering										6.45		6.45	2.00				
Payment of Deferred Offering Costs							(0.07)	(0.02)	(0.13)	(0.00)		(0.15)					
Proceeds from Exercise of Warrants										1.13							
Proceeds from Notes Payable							0.80			0.65							
Repayment of Notes Payable										(1.61)							
Proceeds from Notes Payable - Related Parties		0.68					0.31	0.20	0.70	(0.90)		0.00					
Repayments on Notes Payable - Related Parties		(0.07)							(0.25)	(0.90)		(0.25)					
Proceeds from Advances - Related Party							0.19			0.25							
Net cash provided by financing activities	0.28	0.61		1.29		(0.07)	1.22	0.18	0.32	5.97	0.00	6.47	2.00	0.00	0.00	0.00	0.00
Foreign Exchange Rate Adj.	(0.13)	(0.00)	0.10	(0.11)		0.02	(0.00)	(0.00)	(0.00)	0.01							
Net Change in Cash	(0.10)	(0.08)	(0.01)	0.64		(0.18)	0.15	(0.23)	(0.02)	2.21	(0.81)	1.15	0.98	(1.19)	(1.26)	(1.04)	(4.51)
Cash balance at beginning of period		0.19					0.12	0.26	0.03	0.01	2.22	0.26	1.41	2.39	1.20	(0.06)	1.41
Cash balance at end of period		0.12	0.00	0.00	0.44	0.26	0.26	0.03	0.01	2.22	1.41	1.41	2.39	1.20	(0.06)	(1.10)	(3.10)

Source: Company reports, Ascendant Capital Markets estimates

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60 Degrees Pharmaceuticals, Inc.

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			Count	Percent
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Sell	1	2%	0	0%
Total	53	100%	16	38%

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