United States
Healthcare

April 22, 2024

Lucas Ward
(561) 427-7788
lward@ascendiant.com

Cyclo Therapeutics, Inc.

Initiating Coverage with BUY and $2.60 Price Target

Patient cultivation of Cyclodextrin platform brings company close to breakthrough therapies for Niemman-Pick and Alzheimer's Disease.

COVERAGE INITIATION

Rating: BUY

Ticker: CYTH

Price: $1.16

Target: $2.60

Initiating with BUY: We are initiating coverage of Cyclo Therapeutics, Inc. with a BUY rating. Cyclo Therapeutics is a drug company specializing in cyclodextrin-based therapies for neuro-degenerative diseases, including Niemann-Pick Type C (NPC) and Alzheimer's Disease (AD). The company is currently in Phase 3 clinical trials for NPC and Phase 2b for AD.

Cyclodextrin platform technology based on cholesterol removal: Cyclo Therapeutic's business strategy hinges on the insight that the cholesterol-reducing effects of cyclodextrin can make it useful for multiple indications. In certain diseases, including NPC and AD, impairment of natural cholesterol metabolism leads to a build-up of cholesterol in the cells, causing dangerous symptoms, including neurological deterioration. Cyclodextrin has been demonstrated to effectively bind with cholesterol and facilitate its excretion, making it potentially disease altering for sufferers of both NPC and AD.

Clinical trials have demonstrated positive results for NPC: In 2017 the FDA granted Fast Track designation to Cycle's flagship therapy, Trappsol Cyclo for the treatment of NPC. In 2020 the company announced top-line data showing a favorable safety and tolerability profile for Trappsol Cyclo. The company is currently conducting its pivotal Phase 3 trial, 'Transport NPC'. Preliminary data suggests that Trappsol Cyclo clears toxic deposits of cholesterol from cells, crosses the blood-brain-barrier in individuals suffering from NPC, and results in neurological and neurocognitive benefits and other clinical improvements in NPC patients.

Early trials encouraging for AD indication: After 18 months of treatment of a geriatric patient with late-onset AD, the disease was stabilized, and the drug was well tolerated. In 2021, the company filed an IND for a Phase 2 study for the treatment of AD with Trappsol Cyclo and has begun dosing patients.

NPC and AD present large market opportunities: Despite its rarity, a therapy for NPC could result in a US market opportunity of $300 million per year, with another $300+ million potential internationally, due to high pricing. With over 55 million suffering from dementia globally, a disease-altering therapy for AD would have blockbuster potential, though shepherding the drug through the FDA approval process would require the resources a larger licensing partner.

5-6 months of cash runway: Following private placements from Rafael Investments Holdings and a merger with AMT, Cyclo Therapeutics increased its cash reserves to $9.2 million exiting FY23, giving the company at least 5 months of runway.

Clinical roadmap to value creation: With its main product in Phase 3 trials and under Fast Track designation, we believe CYTH has a clear path to substantial value creation based on interim data and FDA evaluation of its NDA. Approval of Trappsol Cyclo for NPC would also bode well for an AD licensing deal.

12-month price target of $2.60 based on a NPV analysis: We calculate a 12-month price target for shares of CYTH of $2.60. This is based on a NPV analysis, representing 144% 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 Gainesville, FL, Cyclo Therapeutics, Inc. is a drug company specializing in therapeutics for neuro degenerative diseases.

Stock Data

Exchange:	NasdaqCM
52-week Range:	$0.68-2.57
Shares Outstanding (million):	28.7
Market cap ($million):	$33.3
EV ($million):	$24.1
Debt ($million):	$0.0
Cash ($million):	$9.2
Avg. Daily Trading Vol. ($ million):	$0.13
Float (million shares):	15.9
Short Interest (million shares):	0.05
Dividend, annual (yield):	NA

Revenues (US$ million)

	2024E (Cur.)	2025E (Cur.)
Q1 Mar	0.2E	0.2E
Q2 Jun	0.1E	0.1E
Q3 Sep	0.5E	0.6E
Q4 Dec	0.3E	0.4E
Total	**1.2E**	**1.3E**
EV/Revs	20x	19x

Earnings per Share (pro forma)

	2024E (Cur.)	2025E (Cur.)
Q1 Mar	(0.21)E	(0.21)E
Q2 Jun	(0.18)E	(0.20)E
Q3 Sep	(0.18)E	(0.20)E
Q4 Dec	(0.22)E	(0.24)E
Total	**(0.77)E**	**(0.85)E**
P/E	NA	NA

Exhibit 1: Cyclo Therapeutics, Inc. Daily Stock Price, Last 5 Years

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

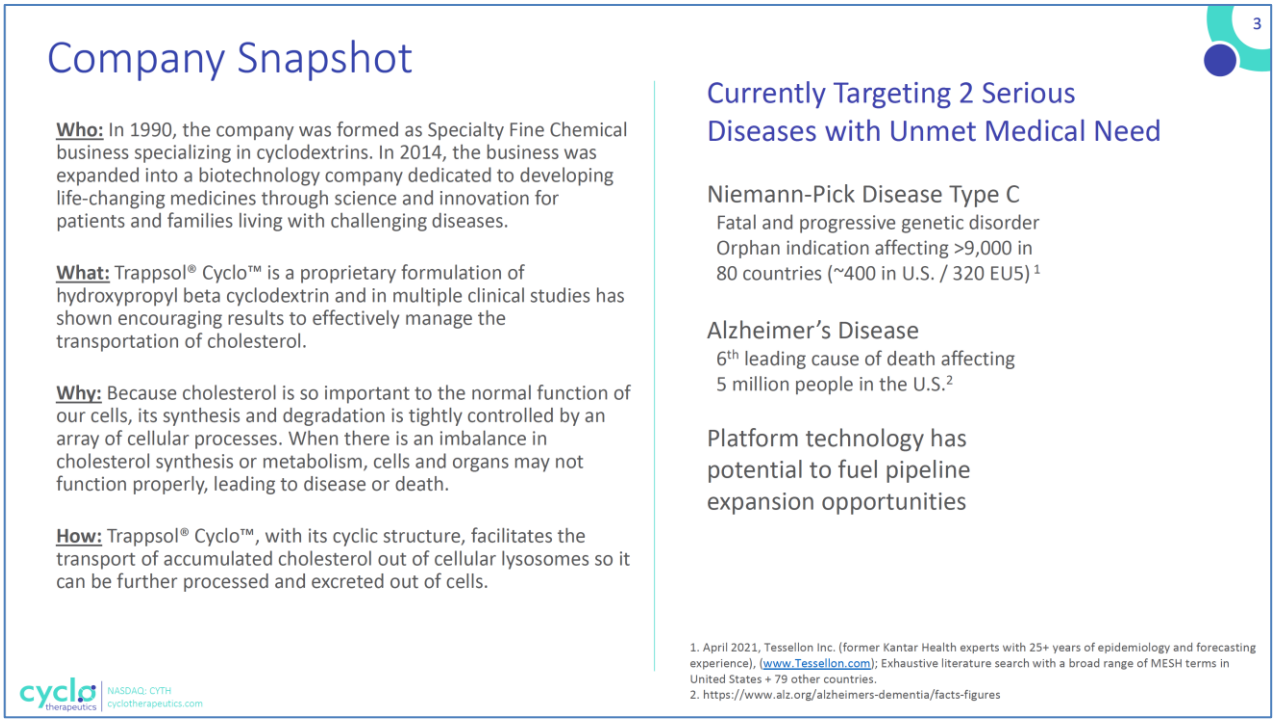
INVESTMENT THESIS

We are initiating coverage of Cyclo Therapeutics, Inc. with a BUY rating and a 12-month price target of $2.60

CYTH specializes in cyclodextrin-based treatments for neurodegenerative diseases, with a focus on Niemann-Pick Type C and Alzheimer's Disease. In 1990, the company was formed as a specialty fine chemical business specializing in cyclodextrins. Cyclodextrins are a class of chemicals used to confer solubility and stability to a variety of drugs. They are generally considered non-toxic. In 2014, the company pivoted to the pursuit of cyclodextrins as therapeutic agents to treat deadly neurodegenerative diseases. The company's most advanced program involves using its proprietary formulation of hydroxypropyl beta cyclodextrin to treat Niemann-Pick Type C disease (NPC). The company is currently in Phase 3 clinical trials for NPC. In addition, early data suggests the same therapy (Trappsol Cyclo) could be effective against Alzheimer's Disease (AD) as well.

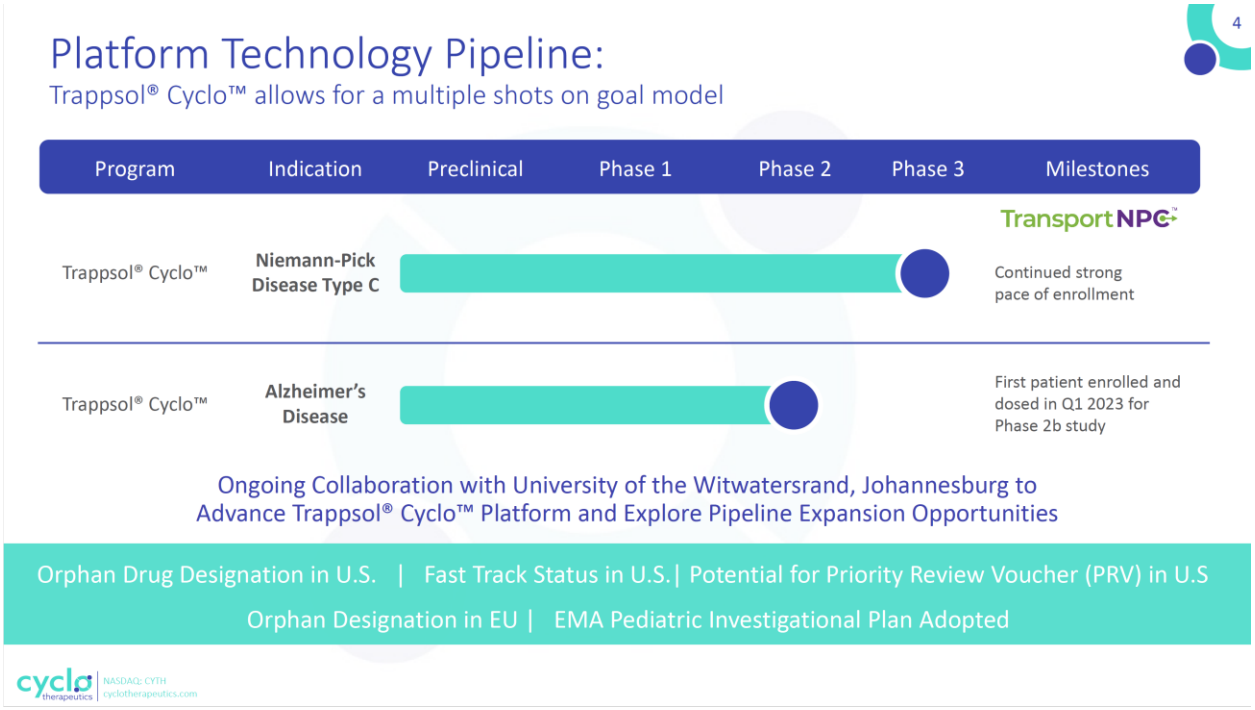
Cyclodextrin platform technology based on cholesterol removal. At the core of Cyclo Therapeutic's business strategy is the insight that the cholesterol-reducing effects of cyclodextrin can make it useful for multiple indications. In certain diseases, impairment of natural cholesterol metabolism leads to a build-up of cholesterol in the cells, causing a range of dangerous symptoms and ultimately death. Cyclodextrin has been demonstrated to effectively bind with cholesterol and facilitate its excretion. Cyclodextrin is thus a platform technology with application in diseases where the unhealthy accumulation of excess cholesterol, particularly in the brain and nervous system, is a root cause of illness. Integral to Cyclo Therapeutic's approach is proprietary know-how regarding the packaging, delivery, and dosing of Cyclodextrins for therapeutic effect.

Exhibit 2: Cyclo Therapeutics, Inc. Corporate Overview



Source: Company Reports

Exhibit 3: Cyclo Therapeutics, Inc. Product Pipeline



Source: Company Reports

Cholesterol build-up plays a similar role in AD vs NPC. NPC and AD exhibit biological similarities and similar disease manifestations. Both are characterized by a build-up of cholesterol in brain tissue, elevated levels of tau in cerebrospinal fluid, and amyloid plaques in the brain. Both diseases are characterized by cognitive decline, premature death, clumsiness, motor dysfunction, ataxia, dystonia, and weight loss. While the causes of AD are not fully understood, research on animals indicates that cholesterol accumulation in the brain and central nervous system plays a key role, as it does in NPC. This strongly suggests that cholesterol-reducing therapies are likely to have a positive impact on AD, as has been shown with NPC.

Trappsol Cyclo clinical trials have demonstrated positive results for NPC. In 2016, the company filed an IND with the FDA to conduct a Phase 1 study to evaluate the safety and pharmacokinetics of Trappsol Cyclo along with markers of cholesterol metabolism in adults. In 2017 the FDA granted Fast Track designation to Trappsol Cyclo for the treatment of NPC. In 2020 the company announced top-line data showing a favorable safety and tolerability profile for Trappsol Cyclo. Phase 1-2 studies in Europe evaluated the safety, tolerability and efficacy of Trappsol Cyclo through a range of clinical outcomes, including neurologic, respiratory, and measurements of cholesterol metabolism and markers of NPC. In 2021 the company announced that 100% of patients who completed the Phase 1-2 trial improved or remained stable, and 89% met the efficacy outcome measure of improvement in at least two domains of the 17-domain NPC severity scale.

In June of 2021, the company initiated its pivotal Phase 3 trial, 'Transport NPC' for the study of Trappsol Cyclo for the treatment of NPC. Preliminary data suggests that Trappsol Cyclo clears toxic deposits of cholesterol and other lipids from cells, crosses the blood-brain-barrier in individuals suffering from NPC, and results in neurological and neurocognitive benefits and other clinical improvements in NPC patients.

Trappsol Cyclo Phase 2b trials for AD under way. Encouraged by the research of Dr. Flint Beale showing that hydroxypropyl beta cyclodextrin reduced cholesterol and conferred neuroprotection in animal models, the company filed an IND with the FDA in 2018 for a single patient expanded access program using Trappsol Cyclo for the treatment of AD. After 18 months of treatment in this geriatric patient with late-onset disease, the disease was stabilized, and the drug was well tolerated. In 2021, the company filed an IND for a Phase 2 study for the treatment of AD with of Trappsol Cyclo. US sites for the study were activated during the second half of 2022, with patient dosing beginning in the first quarter of 2023.

Very large market opportunity for NPC. NPC is a rare and fatal disease caused by a genetic defect in the NPC1 protein. Cholesterol and lipids accumulate in the cells, resulting in dysfunction of the brain, liver, spleen, and lungs. Incidence is estimated at 1/100,000 births. For the least severe form of the disease (Type C), the US population is approximately 400 individuals. There are currently no approved therapies for NPC in the US. Despite the small population, the lack of available therapies and the potentially high selling price that a therapy could command result in a US market opportunity of $300 million per year, with another $300 million potential internationally.

Blockbuster potential for AD. In the United States alone, an estimated 6.9 million Americans aged 65 and older are living with AD, and this number is projected to rise to nearly 13 million by 2050. Globally, the number of people living with dementia, including AD, is estimated to be over 55 million, with expectations that this number will rise to 78 million by 2030 due to the aging population. According to an estimate by the US Senate, AD cost the US economy $321 billion in 2022, in addition to an estimated $271 billion in unpaid caregiving. According to Precedence Research, the global market for AD therapeutics is $5 billion. Current approaches tend to manage symptoms, and there is no cure for the disease. With such large numbers, there is no doubt that a disease-altering therapy for AD would have blockbuster potential.

Advanced Clinical Trials bring the company close to monetization. Cyclo Therapeutics has made significant progress in clinical trials with its lead drug candidate, Trappsol Cyclo, in treating NPC and exploring its use in AD. Currently, the company's Phase 3 trial for NPC, TransportNPC, continues to enroll patients and could yield an interim analysis in 1H 2024. The company expects the trial to be completed by Q1 2025, which would put the company on track for FDA approval of Trappsol Cyclo for NPC by Q1 2026.

Regulatory Milestones bode well for approval of Trappsol Cyclo for NPC. CYTH has secured Orphan Drug Designation, Fast Track status, and potential for a Priority Review Voucher in the US, along with Orphan Designation in the EU for Trappsol Cyclo, enhancing its regulatory pathway. While FDA approval is always subject to uncertainty, milestones to date are positive indications

of the company's chances. In the EU the company has also secured orphan designation and the EMA's Pediatric Committee is evaluating CYTH's pediatric investigation plan (PIP) for Trappsol Cyclo. The acceptance of this plan by the EMA's Pediatric Committee is crucial, as it demonstrates CYTH's commitment to addressing the pediatric population affected by NPC. The successful acceptance of the PIP could extend the period of market exclusivity in Europe.

Focused and experienced leadership and advisory teams. Cyclo Therapeutics' management team and board are distinguished by their collective experience, having successfully steered numerous clinical trials, pharmaceutical product launches, and overseen 20+ public and private companies. CEO Scott Fine has been at the helm since 2015, drawing on his 35-year background in investment banking, with a notable tenure at Scarsdale Equities in NYC and leadership roles in multiple industries. CFO Josh Fine, with over 15 years in operational and financial roles in healthcare, and COO Dr. Jeffrey L. Tate, with 30+ years in the biotech and pharmaceutical sectors, exemplify the team's depth. Michael Lisjak, the Chief Regulatory Officer brings two decades of experience in regulatory affairs, and Interim CMO Dr. Karen Mullen bring 20+ years in medical affairs and clinical research. The Advisory Board features renowned experts like Rita Colwell, PhD, Benny Liu, MD, and Caroline Hastings, MD, who bring specialized knowledge in clinical drug development and NPC.

Strong Institutional Support. Currently, 10% of CYTH shares, representing 17% of public float are held by institutional investors. Major holders include the Founders Fund, Vanguard, Fidelity, and Citadel. In 2023 the company received a strategic investment of $6.5 million by Rafael Holdings. Rafael Holdings, chaired by billionaire Howard Jonas, is a healthcare-focused fund dedicated to developing and investing in innovative therapeutics that address high unmet medical needs. Rafael Holdings' CEO, Bill Conkling, is a pharma veteran with a background in oncology, including stints at Immunomedics and Novartis. Mr. Conkling currently sits on Cyclo Therapeutics' board of directors.

Strong IP position. In October 2019, the company filed a national and international patent application for the treatment of AD with cyclodextrins. This international application is being pursued further through national and regional stage applications. In June 2023 Cyclo Therapeutics received a notice of allowance for this patent application from the European Patent Office. In January 2024, the company received a notice of allowance from the US Patent office for this same patent, titled "Methods of Treating Alzheimer's Disease." The company has accumulated trade secrets over the course of studying the use of cyclodextrins for NPC and AD which include proprietary manufacturing know how, packaging, and delivery. An example is the company's pediatric program in Europe which requires the safe delivery of high doses of Trappsol Cyclo to infants.

Legacy business generates recurring cashflow. Cyclo Therapeutics started out as a supplier of cyclodextrins to the pharmaceutical industry. This business generated $1.4 million in 2022 and $1.1 million in 2023. Though this business has limited growth prospects, it will likely continue to remain a source of recurring revenues and cash flow generation for the company.

Regulatory progress should catalyze stock price appreciation. As Cyclo Therapeutics moves closer to FDA approval of the use of Trappsol Cyclo for NPC, we believe successive regulatory milestones will catalyze stock price appreciation. A significant near-term milestone would be positive data from an interim review of Transport NPC results. In addition, approval of Trappsol Cyclo for NPC would likely catalyze positive regulatory momentum for AD as well, providing an additional catalyst for stock market appreciation.

Valuation: CYTH represents attractive risk/reward with large opportunities in NPC and AD ahead

Based on an NPV analysis, we believe CYTH is worth at least $2.60 per share. Given the uncertainties of drug approval and marketing, we assigned probability weightings to each of the company's current opportunities, as well as conservative market share assumptions to come up with a blended, probability-weighted model of the company's revenue potential. Our model assumes a 50% probability of achieving 50% market share for NPC in the US, as well as a 20% probability of achieving a 5% share of the market for AD therapy in the US. In addition, we use a conservative discount rate of 18% for future cashflows to account for general uncertainty relating to marketing a new product and competition in the marketplace. With the stock currently trading at $1.16, we believe the risk/reward is attractive. In addition, the stock could experience a significant boost with the achievement of commercial milestones, including positive interim results of the company's TransportNPC trial. We acknowledge significant regulatory risk still exists, and significant further fundraising will be required to carry the company through to product

commercialization, but large market opportunities and regulatory milestones over the next couple years should outweigh these concerns.

INVESTMENT RISKS

Clinical Trial Outcomes. The company's future success is heavily contingent on the outcomes of its clinical trials, particularly its Phase 3 trial of Trappsol Cyclo for NPC patients. Potential risks to trial outcomes include slower recruitment in studies, as well as a lack of statistically significant results. If trials don't yield results in line with regulatory expectations, it could halt further clinical development and prevent essential regulatory approvals. Such setbacks could escalate R&D costs, strain the company's financial resources, and potentially delay other pivotal projects.

Market Acceptance and Commercialization Risks: Securing marketing approval is a commendable achievement, but it doesn't guarantee market success. The company's products must gain widespread acceptance among a diverse group of stakeholders, from physicians to patients. Without this broad-based endorsement, substantial revenue could be elusive, forcing a re-evaluation of growth strategies and market positioning. While this risk is relatively low in the case of the NPC program, any attempt to commercialize an AD therapy would face much higher hurdles and require much greater resources, necessitating the presence of a deep-pocketed license partner. When and if the company is able to find such a partner is unknown.

Reliance on External Financing: With only modest product revenues and significant resources required to achieve its research and marketing goals, Cyclo Therapeutics will likely remain reliant on external financing for the next few years. While external funding can provide the necessary capital to drive research, development, and commercialization efforts, it also exposes the company to the volatility of financial markets and the terms set by investors or lenders. Unfavorable economic conditions, shifts in investor sentiment, or changes in lending criteria could limit the company's access to capital, resulting in unfavorable financing terms, increased debt burdens, or even an inability to secure funds altogether. Without consistent and favorable financing, the company may have to curtail its operations, delay or abandon key projects, or make strategic compromises that could adversely affect its long-term growth and profitability.

Competition: The pharmaceutical sector is fiercely competitive. Established players with deeper pockets and broader distribution networks could overshadow the company's offerings. This is particularly true of a small company such as Cyclo Therapeutics which is competing to bring drugs through the FDA approval process and market them to the end user. Typically, Phase 3 drug development is the domain of large companies, given the high costs, high risks, and long cycle time of drug development.

Intellectual Property Risks: Protecting and enforcing intellectual property rights is critical for CYTH. Litigation to defend these rights can be costly and time-consuming, and any failure to adequately protect its intellectual property could impact CYTH's competitive edge and financial performance.

Customer concentration in Cyclo Therapeutic's legacy business: A significant portion of CYTH's revenue comes from a small number of customers. In 2023, two major customers accounted for 77% of total revenues. The loss of any of these customers could materially decrease CYTH's revenues, impacting its near-term financial performance.

Supply Chain Vulnerabilities: CYTH relies on third-party suppliers for critical components, particularly for its Trappsol and Aquaplex products. Disruptions in the supply chain, whether due to regulatory changes, import restrictions, or other unforeseen events, could negatively impact CYTH's production capabilities and financial performance.

VALUATION

We see upside to $2.60 as market confidence in Cyclo Therapeutics' regulatory pathway increases

To deal with the uncertainty surrounding future regulatory and marketing outcomes, we created a model that weights the company's potential market share in each therapeutic area by the probability of coming to market. We then discounted the resulting totals to net present value, added net cash, and subtracted the estimated capital required to realize these opportunities. As an example, our resulting price target assumes a 50% probability of achieving 50% market share in the US market for NPC

therapies, as well as a 20% probability of achieving a 5% share of the market for AD. We assume that the company would earn 10% royalties in the event of a successful AD program. We further assume the company will require an additional $60 million in capital to realize its opportunities. Adding net cash to the NPV of future net profit and subtracting the estimated additional capital required, we come up with a current value for existing shareholders of $74.7 million, or $2.60 per share.

We acknowledge that as an early-stage drug company, Cyclo Therapeutic's valuation is subject to great uncertainty. We believe our probability weightings, conservative market share assumptions, and the relatively high discount rate of 18% used in our NPV calculation account for this. Given that Cyclo Therapeutics has orphan drug status and fast-track approval designation for NPC, it might appear that our valuation is on the conservative side. Yet, the company will likely need to raise substantial funds to carry it through its clinical trials roadmap, as well as find a suitable licensing partner for AD. Therefore, we feel conservatism is warranted. Still, our valuation represents 144% upside to the current stock price.

Exhibit 4: Cyclo Therapeutics, Inc. Valuation, NPV

Projected Annual Market Opportunity	$195,600,000
Discount Rate	18%
NPV of Future Sales	$1,092,737,430
AD Licensing Deal (Probability Weighted)	$15,000,000
Projected Net Margin	12%
Estimated NPV of Future Net Profit	$132,928,492
Net Cash	$1,800,000
Estimated Additional Capital Required	($60,000,000)
Current Value for Existing Shareholders	$74,728,492
Shares Outstanding	28,700,000
Estimated Value Per Share	$2.60

Source: Company reports, Precedence Research, Ascendiant Capital Markets estimates

Trading History. Cyclo Therapeutics originally became a public company in 1994. According to Capital IQ, the stock notched its all-time high of $325 in September 1995. The stock eventually fell to a low of $2.00 and stayed there much of 2007-2009 before beginning a climb to a peak of $103 in June 2014. After briefly touching $105 in November 2018, the stock declined over several years before settling in to its current trading range of $1.00-3.00. The stock touched an all-time low of $0.67 in April 2023 and currently stands at $1.16. We believe a key reason for the depressed stock price has been a lack of institutional sponsorship, including a relative lack of research. In addition, the stock price reflects significant dilution from the company's equity offerings. Interim analysis from the TransportNPC Phase 3 trial likely out in 1H24 should provide a positive catalyst for CYTH. Achievement of further milestones towards the commercialization of Trappsol Cyclo for NPC should provide additional catalysts. We believe the key to unlocking value for the company's AD program lies in commercializing NPC: once Trappsol Cyclo is in the market, we believe the company will have a good chance of finding a licensing partner for to advance the AD indication. Though the FDA clearance process is subject to uncertainty, the current valuation seems to heavily discount risks appropriately.

COMPANY

Company Background

Introduction: Cyclo Therapeutics, Inc was founded as a specialty chemicals company supplying cyclodextrins to the pharmaceutical industry. Following the discovery that hydroxypropyl beta cyclodextrin can help clear excess cholesterol and thus obtain therapeutic effects in mice with AD, the company transitioned to become a biotechnology company focused on treating neurodegenerative diseases with cyclodextrin. The company's flagship product, Trappsol Cyclo, represents a proprietary formulation of hydroxypropyl beta cyclodextrin and is currently undergoing Phase 3 clinical trials for NPC disease and Phase 2b trials for AD This compound has demonstrated promising outcomes in clinical studies, notably in managing cholesterol transport in NPC. This rare, progressive genetic disorder, along with AD, are primary targets for Trappsol Cyclo's potential therapeutic applications.

Legacy Cyclodextrin business: As a clinical stage drug company, Cyclo Therapeutics has yet to generate product revenues from its therapeutic pipeline. The revenues that it does generate come from its legacy fine chemicals business. This business consists of selling cyclodextrins and related products primarily to the pharmaceutical, nutritional, and other industries for use in diagnostics and specialty drugs. In total, this business generated $1.4 million in 2022 and $1.1 million in 2023. The company estimates that the total market for these products is on the order of $3 million per year, and thus the growth opportunity is limited. Gross margins on CYTH's legacy business hover around 90%, making it a good source of cashflow.

Leadership Team & Advisory Board

The company boasts a highly experienced management team and board. Collectively, they have managed numerous clinical trials, executed multiple pharmaceutical product launches, guided 20+ public & private entities, and participated in or led multiple public listings. Key leaders include:

Scott Fine, CEO. Serving as CEO since 2015, Scott Fine has a robust background in investment banking with over 35 years of experience. Before joining Cyclo, he was a principal at Scarsdale Equities in New York City. Fine has led numerous global transactions, particularly in healthcare, and has held significant positions, including Chairman of the Board of The Global Virus Network and director at Kenon Holdings Ltd. His expertise spans across various industries, including healthcare, consumer products, and more.

Josh Fine, CFO. As the CFO of Cyclo Therapeutics, Josh Fine brings over 15 years of operational, investment banking, and investing experience in the healthcare sector. Prior to his current role, he served as the Vice President/Director of Healthcare Capital Markets at Scarsdale Equities, LLC. Josh Fine's experience also includes key positions at Icagen, Inc., and Emerging Growth Equities.

Jeffrey L. Tate, PhD, COO. Dr. Tate is a seasoned executive with over 30 years of experience in the biotech, pharmaceutical, and nutritional supplements industries, focusing on areas like branded generic drugs, intellectual property, product development, and CGMP manufacturing. He has extensive knowledge of US and international regulatory compliance and holds patents and trademarks in material processing and food formulation.

Michael Lisjak, Chief Regulatory Officer and SVP for Business Development. Mike Lisjak brings over two decades of expertise in regulatory strategy and operations across various therapeutic areas. Before Cyclo, he led Global Regulatory Affairs for Sanofi in rare diseases and later for established products and global health. At Accenture, he oversaw global regulatory services, following leadership roles at Pfizer and Wyeth where he developed global regulatory strategies. Lisjak, who holds a BS in Biology from Rochester Institute of Technology.

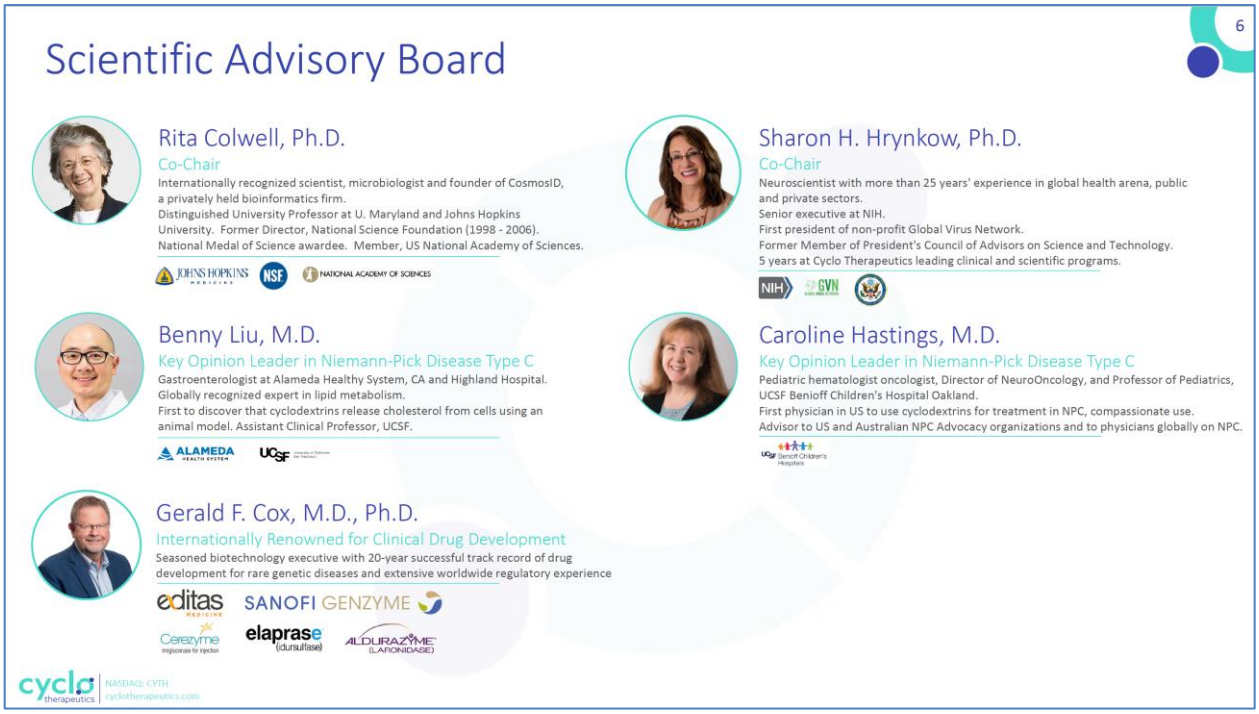
Karen Mullen, FFPM, CMO. Dr. Mullen, the Interim Chief Medical Officer, has rich experience spanning more than 20 years in medical affairs and clinical research across several therapeutic areas, including rare diseases. Her previous roles include significant positions at GlaxoSmithKline and Boyds, where she contributed to clinical research, medical affairs, and medical strategy.

Advisory Board. Cyclo's Advisory Board boasts an impressive group of senior physicians and scientists with specific expertise in the areas of clinical drug development and NPC. Key individuals include Rita Colwell, PhD, Benny Liu, MD, Gerald F. Cox, MD, PhD, Gerald F. Cox, MD, PhD, and Caroline Hastings, MD.

Exhibit 5: Cyclo Therapeutics, Inc. Senior Leadership

Source: Company Reports

Exhibit 6: Cyclo Therapeutics, Inc. Scientific Advisory Board



Source: Company Reports

Company Strategy

Cyclodextrin Platform Technology: Cyclodextrins, particularly hydroxypropyl-beta-cyclodextrin have been shown to facilitate the removal of cholesterol from cells. They can extract and solubilize cholesterol, enhancing its clearance from cells and potentially reversing the pathological accumulation of cholesterol. This quality of cyclodextrins makes them potentially useful for multiple therapeutic indications. For this reason, Cyclo Therapeutics refers to its key product as a platform technology. In other words, if Trappsol Cyclo works for NPC, it is likely to work for other indications where pathological accumulation of cholesterol is a factor.

Business Model and Monetization: Despite having fewer than 10 full-time employees, Cyclo Therapeutics is pursuing a classic drug company business model. I.e., the company is shepherding its key therapy through clinical trials toward FDA approval for its target indication, NPC. Once the company obtains approval, it intends to license and market the product directly, adding staff as needed. Though this strategy is challenging for an independent drug maker, Cyclo Therapeutics is remarkably close to FDA approval with NPC, and it currently has the only active late-stage clinical trials program for NPC. The population size of the disease in the US is small enough that the company has already interacted with a significant portion of the NPC community through its clinical trials, making drug marketing for NPC less of an issue for it than for other independent drug makers working on less rare conditions. In contrast with NPC, pursuing Phase 3 trials for AD would be beyond the resources of a small company, and the marketing would also require prohibitively large resources. For this reason, Cyclo Therapeutics will likely seek a licensing partner to continue its AD program once it has obtained favorable results with NPC. Given similarities in the pathologies of the two diseases, any positive data and/or approvals in NPC is likely to make Trappsol Cyclo much more attractive to potential licensees for AD.

Platform Overview

What are cyclodextrins?

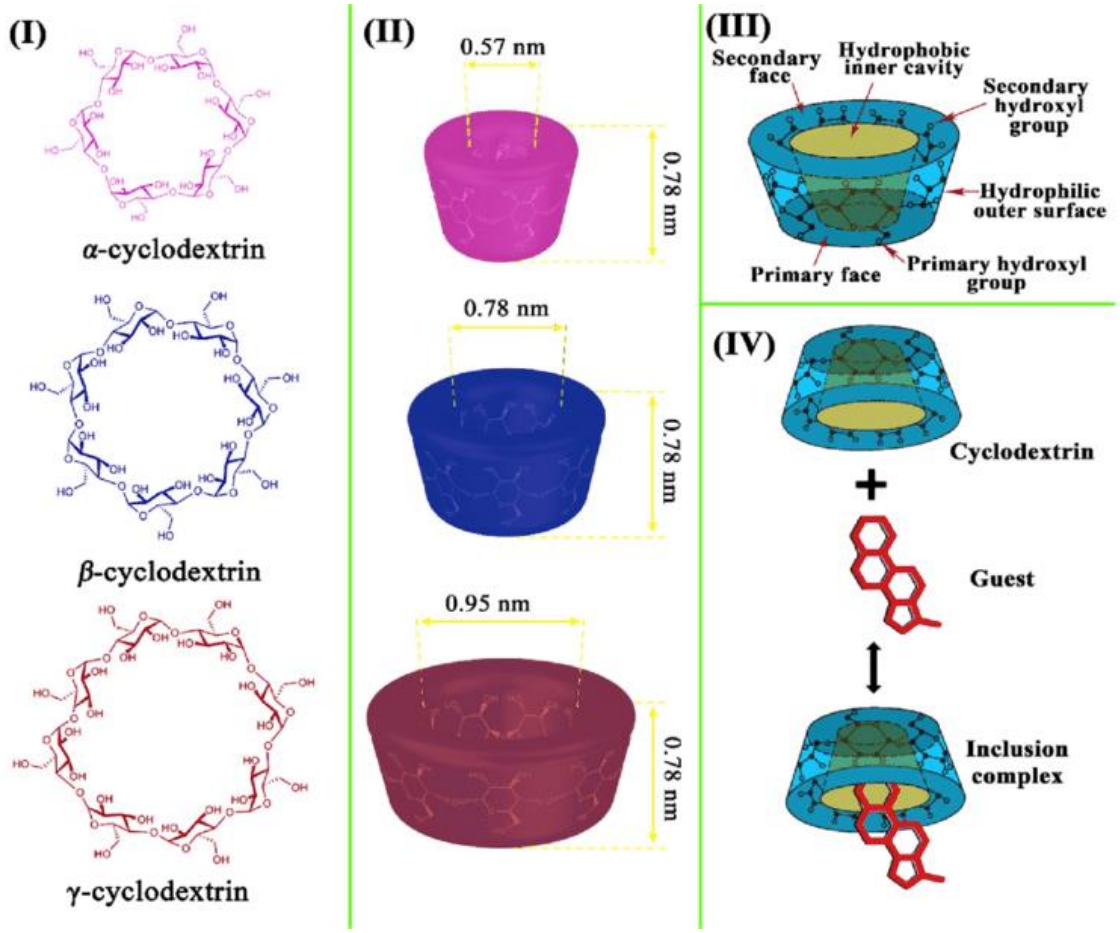
Cyclodextrins are a family of cyclic oligosaccharides – carbohydrates composed of two to ten simple sugars chemically bonded together. They are naturally produced from starch and are widely known for their ability to form host-guest relationships with a variety of guest molecules. This capability arises from their structure, which is typically shaped like a truncated cone or torus, with a hydrophobic (water-repelling) interior and a hydrophilic (water-attracting) exterior. There are three common types of cyclodextrins: alpha-cyclodextrin with 6 glucose units, beta-cyclodextrin with 7, and gamma-cyclodextrin with 8. Each type has a different cavity size, influencing the size and type of molecules they can encapsulate.

Cyclodextrins have a wide range of applications, including:

- **Pharmaceuticals:** They enhance the solubility and stability of poorly water-soluble drugs, improve drug bioavailability, and can reduce side effects.
- **Food Industry:** Cyclodextrins are used to stabilize flavors and aromas, remove unwanted components, and improve the shelf life of food products.
- **Environmental Science:** They can capture and remove pollutants, contributing to environmental cleanup efforts.
- **Cosmetics:** In personal care products, cyclodextrins are used to stabilize volatile compounds, control the release of fragrances, and increase the solubility of active ingredients.
- **Research:** Cyclodextrins are used in molecular research to study the inclusion and interaction of various molecules, providing insights into molecular recognition and supramolecular chemistry.

The ability of cyclodextrins to form host-guest complexes with various molecules makes them versatile and valuable across different scientific and industrial fields.

Exhibit 7: Cyclodextrins, Chemical Structure

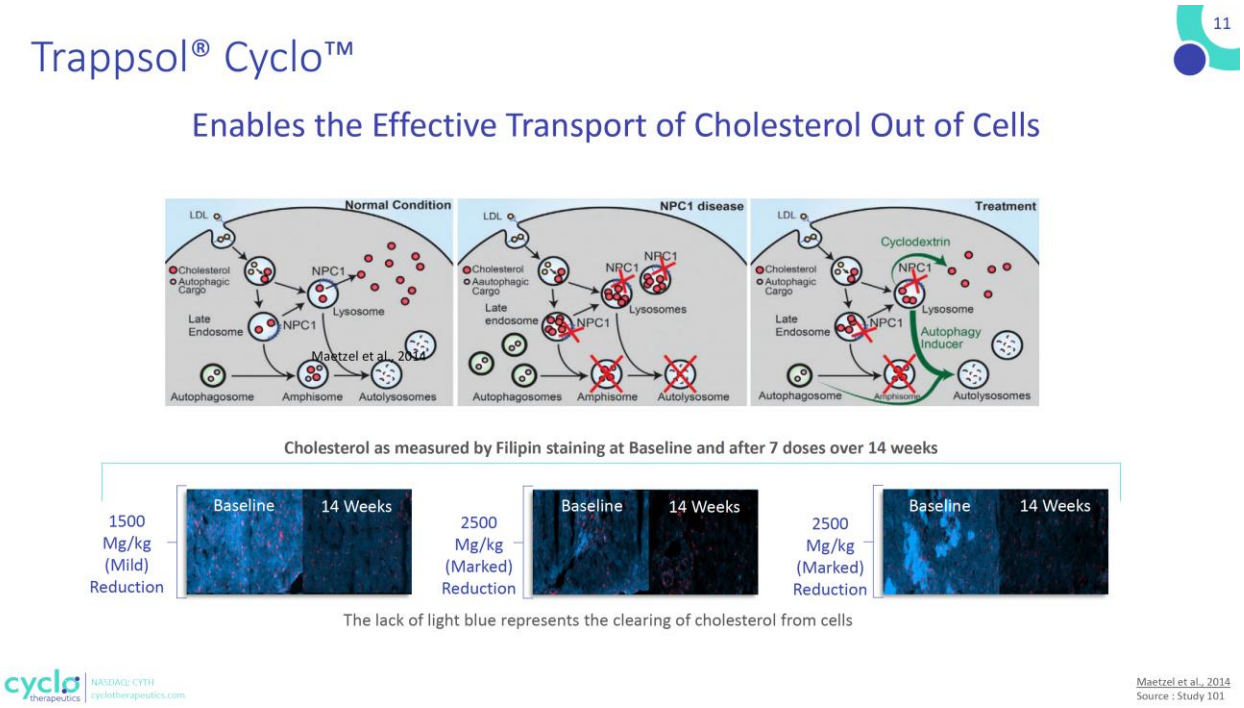


Source: 'Environmental Chemistry Letters' Journal

How do cyclodextrins affect cholesterol in cells?

Cyclodextrins can affect cholesterol in cells by extracting and sequestering cholesterol from the cell membrane and intracellular compartments. The mechanism involves the hydrophobic cavity of the cyclodextrin molecule, which can encapsulate cholesterol, thereby influencing its availability and distribution within the cell. Cyclodextrins can facilitate the efflux of cholesterol from cells to extracellular acceptors, which may help in reducing intracellular cholesterol accumulation, especially in conditions like NPC. Much of the research on cyclodextrins and cholesterol clearance is focused on NPC disease which is characterized by the accumulation of cholesterol and other lipids in lysosomes.

Exhibit 8: Trappsol Cyclo Cholesterol Transport Effect



Source: Company Reports

Indication Number 1: NPC

NPC Overview: NPC is a rare, genetic lysosomal storage disorder characterized by the accumulation of cholesterol and other lipids in the lysosomes of cells. The disease primarily affects the brain and nervous system. The exact prevalence of NPC is not well-defined, with estimates ranging widely. In the United States, NPC may affect approximately 1 in 150,000 individuals. Globally, the prevalence is estimated to be around 1 in 120,000 to 1 in 150,000 live births. However, due to misdiagnosis or underdiagnosis, the actual incidence may be different. The symptoms of NPC are highly variable and can appear at any age, but the disease typically presents in childhood. Symptoms may include:

- Difficulty with movement and coordination (ataxia)
- Impaired speech and swallowing difficulties
- Progressive intellectual decline
- Liver and spleen enlargement (hepatosplenomegaly)
- Seizures and tremors
- Jaundice in the neonatal period

NPC commonly leads to progressive neurological deterioration and can be life-threatening, particularly when onset occurs in childhood. Currently, there is no cure for NPC, and treatment options are primarily supportive and symptomatic. However, one medication, Miglustat, is approved in some countries to treat the neurological manifestations of NPC. Clinical trials, for example those being conducted by Cyclo Therapeutics, are ongoing to explore the potential of cyclodextrins and other compounds to treat NPC. Research into therapies often focuses on ways to facilitate the clearance of cholesterol accumulation in neurons and other cells.

Exhibit 9: NPC Overview

NPC: A Debilitating Disease with Fatal Outcomes

8

- Rare, fatal and progressive genetic disorder affecting the brain, liver, spleen and lungs
- Characterized by a defect in the NPC1 protein
- Cholesterol and lipids accumulate in cells of major organs and tissues
- Leading to cell and tissue dysfunction

0 U.S. Approved NPC Therapies

1 EU Approved Therapy with No Systemic Effects

Market Opportunity[1]

United States: $300 Million | Worldwide: $600 Million

Incidences

1/100,000 (~35 per year in U.S.)

Of Diagnosis

~ 3% are age 3 and below
~ 97% are age 3 and above
~ 60% age 16 and above

Median Survival

Early Infantile (2m-2): 4.6y
Late Infantile (3-6): 9.4y
Juvenile (7-15): 15.4y
Adolescent/Adult (16+): 12.2y

cyclo therapeutics | NASDAQ: CYTH | cyclotherapeutics.com

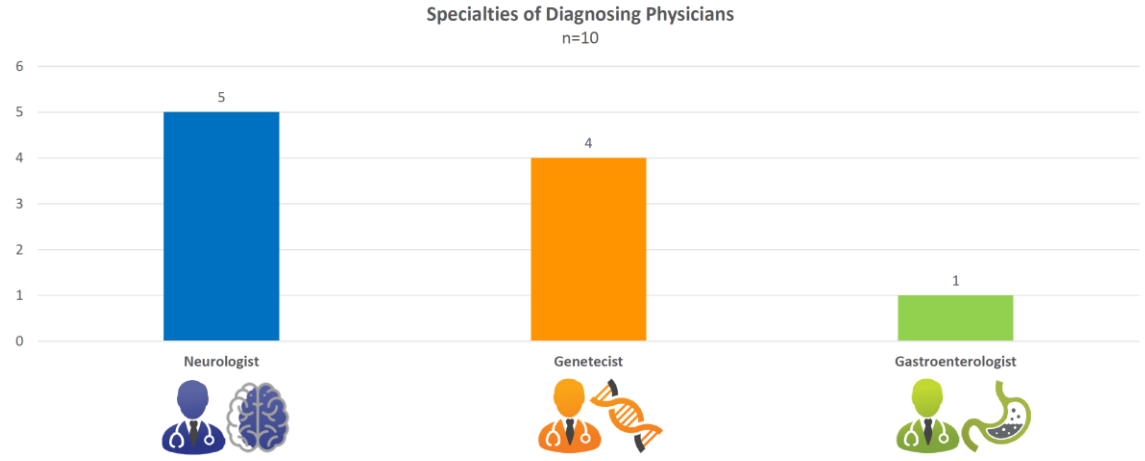
1: Data on file Cyclo Therapeutics
*Scope: United States + 79 other countries; *Commissioned Tessellon Inc – former Kantar Health experts with 25+ years of epidemiology and forecasting experience, (www.Tessellon.com); *Exhaustive literature search with a broad range of MESH terms.

Source: Company Reports

Exhibit 10: Medical Specialties Involved in Diagnosing NPC

Neurologists & Geneticists Crucial Specialties in the Diagnosis of NPC (Return on Focus Patient Journey Interviews, January 2022)

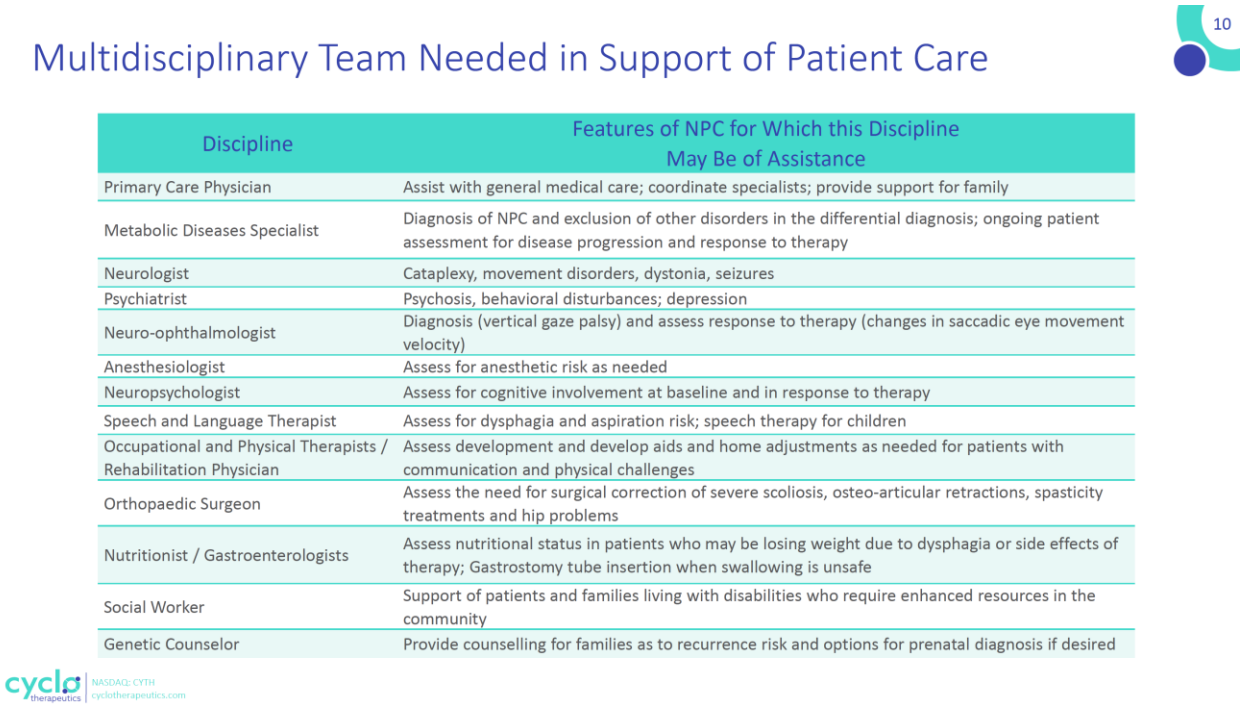
9



cyclo therapeutics | NASDAQ: CYTH | cyclotherapeutics.com

Source: Company Reports

Exhibit 11: Specialists Required to Care for NPC Patients



Discipline	Features of NPC for Which this Discipline May Be of Assistance
Primary Care Physician	Assist with general medical care; coordinate specialists; provide support for family
Metabolic Diseases Specialist	Diagnosis of NPC and exclusion of other disorders in the differential diagnosis; ongoing patient assessment for disease progression and response to therapy
Neurologist	Cataplexy, movement disorders, dystonia, seizures
Psychiatrist	Psychosis, behavioral disturbances; depression
Neuro-ophthalmologist	Diagnosis (vertical gaze palsy) and assess response to therapy (changes in saccadic eye movement velocity)
Anesthesiologist	Assess for anesthetic risk as needed
Neuropsychologist	Assess for cognitive involvement at baseline and in response to therapy
Speech and Language Therapist	Assess for dysphagia and aspiration risk; speech therapy for children
Occupational and Physical Therapists / Rehabilitation Physician	Assess development and develop aids and home adjustments as needed for patients with communication and physical challenges
Orthopaedic Surgeon	Assess the need for surgical correction of severe scoliosis, osteo-articular retractions, spasticity treatments and hip problems
Nutritionist / Gastroenterologists	Assess nutritional status in patients who may be losing weight due to dysphagia or side effects of therapy; Gastrostomy tube insertion when swallowing is unsafe
Social Worker	Support of patients and families living with disabilities who require enhanced resources in the community
Genetic Counselor	Provide counselling for families as to recurrence risk and options for prenatal diagnosis if desired

Source: Company Reports

Indication Number 2: AD

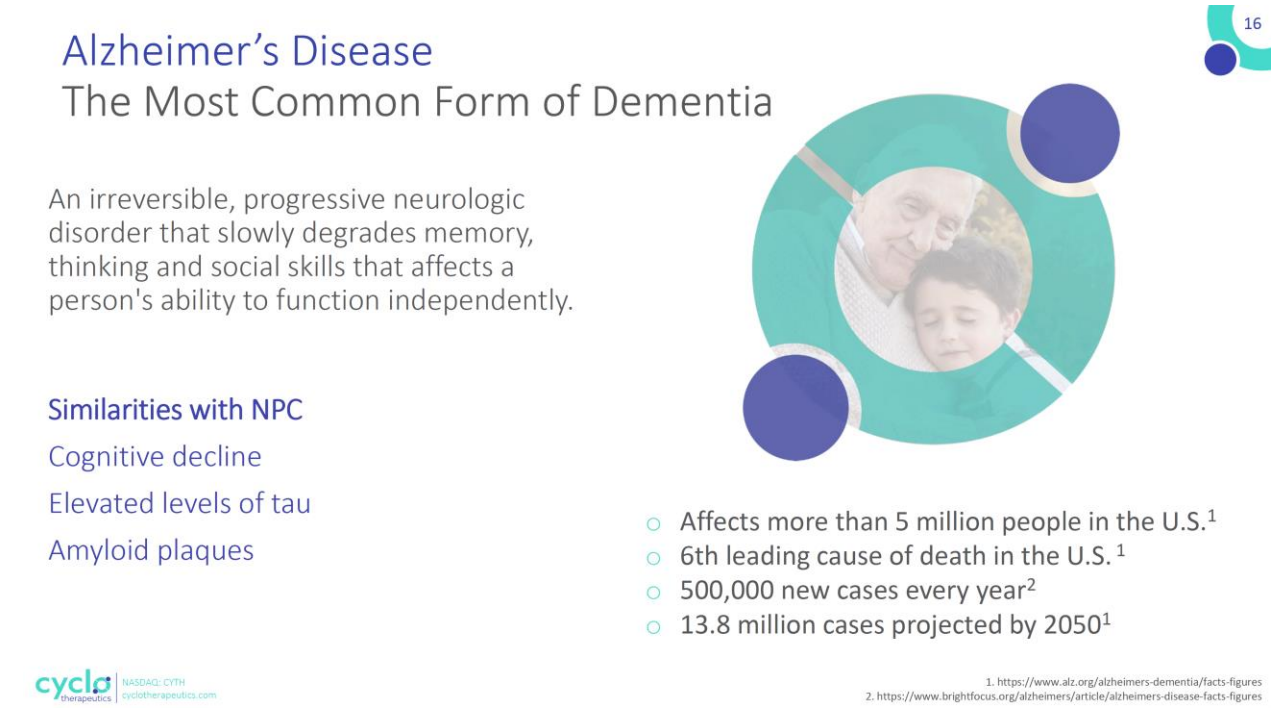
AD Overview: AD is a progressive neurodegenerative disorder that is the most common cause of dementia among older adults. In the United States, AD affects an estimated 6.2 million people, a number that is expected to rise as the population ages. Globally, AD affects approximately 50 million people, and this number is projected to reach over 152 million by 2050 due to increasing life expectancy and aging populations. AD is characterized by a gradual decline in cognitive function and memory, which significantly impacts daily living and independence. The symptoms typically develop slowly and worsen over time, eventually becoming severe enough to interfere with daily tasks. Common symptoms include:

- Memory loss that disrupts daily life
- Challenges in planning or solving problems
- Difficulty completing familiar tasks
- New problems with words in speaking or writing
- Misplacing things and losing the ability to retrace steps
- Decreased or poor judgment
- Withdrawal from work or social activities
- Changes in mood and personality

While there is no cure for AD, several medications are approved to treat symptoms. These include:

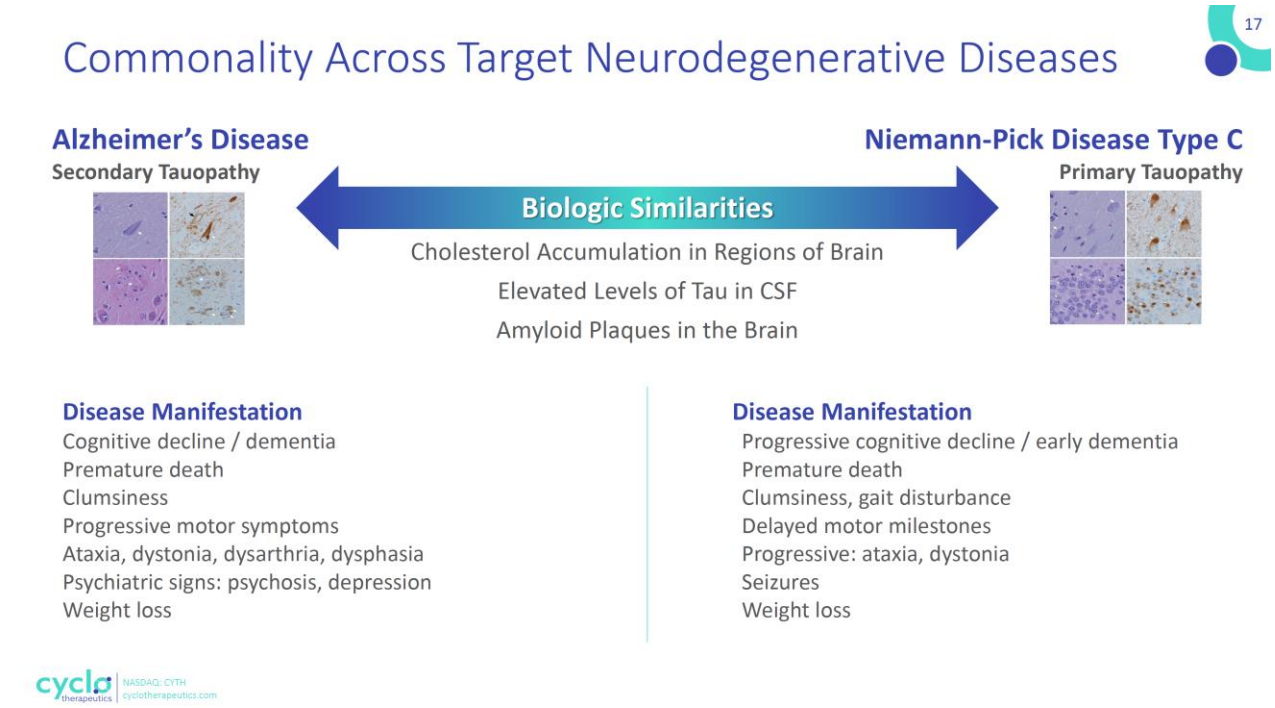
- Cholinesterase inhibitors (e.g., Donepezil, Rivastigmine, Galantamine) for mild to moderate AD
- Memantine for moderate to severe AD, sometimes used in combination with Cholinesterase inhibitors

Exhibit 12: Alzheimer' Disease Overview



Source: Company Reports

Exhibit 13: Similarities between Niemann-Pick Type C Disease and Alzheimer's Disease



Source: Company Reports

Similarities between NPC and AD: Despite being very different diseases with different causes, NPC and AD share several pathological and biochemical similarities, including

- Cholesterol Accumulation
- Neurodegeneration
- Accumulation of beta-amyloid plaques in the brain.
- Inflammation in the brain
- Cognitive and Motor Symptoms

Cyclodextrin for AD: Studies in animal models of AD have shown that cyclodextrins, particularly hydroxypropyl-beta-cyclodextrin can reduce cholesterol levels in the brain. This reduction is believed to influence the pathways involved in the development and progression of AD. Treatment with cyclodextrins in these models has been associated with a decrease in amyloid-beta plaques and tau phosphorylation, two critical pathological features of AD. Animal studies have suggested that cyclodextrins can exert neuroprotective effects, potentially improving cognitive function. This is thought to be related to their ability to modulate cholesterol metabolism and reduce neuroinflammation.

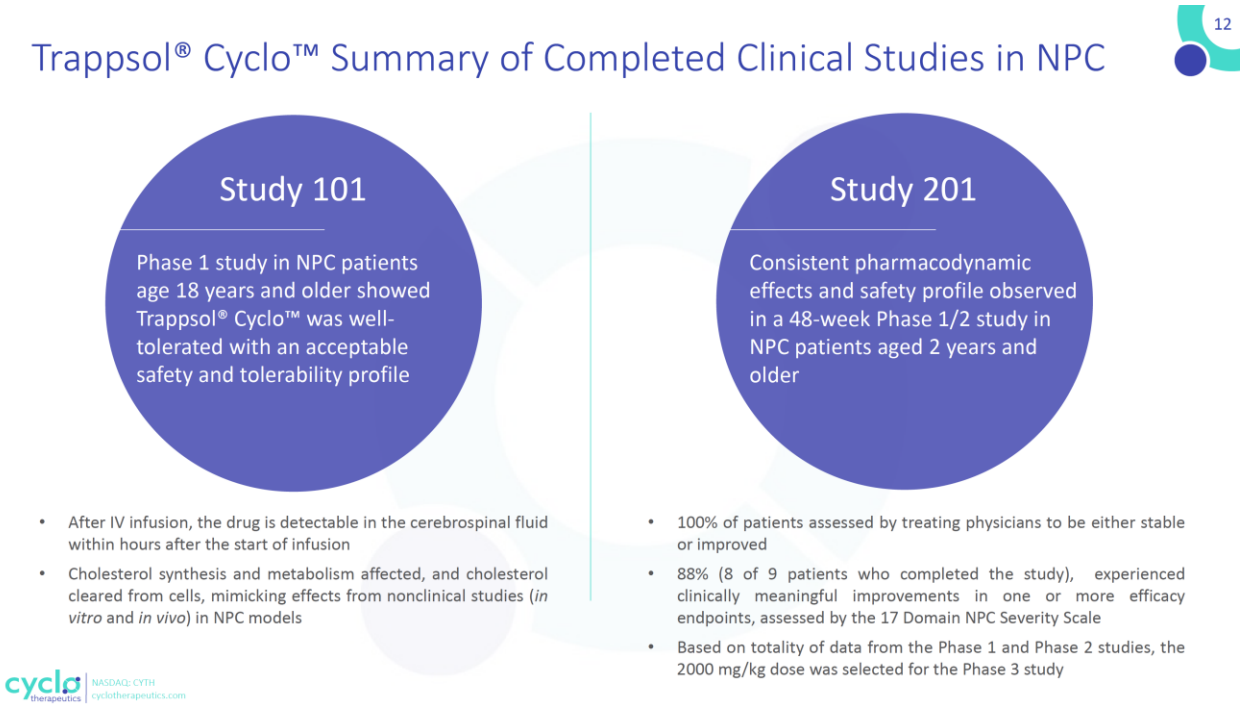
Cyclo Therapeutics' Clinical Pipeline

Trappsol Cyclo for NPC: The company began with the filing of a Type II Drug Master File for Trappsol Cyclo with the FDA in 2014, followed by the launch of an international clinical program in 2015, and an IND application in 2016, leading to FDA's Fast Track designation in 2017. The company's Phase 3 NPC program ('TransportNPC') is currently the most advanced clinical research program underway to find a treatment for NPC. TransportNPC is currently recruiting patients in 25 countries for a 96-week study which is scheduled to assess interim data by Q1 2025. Dosage protocol calls for 2000mg/kilo administered twice a month intravenously. The company's Phase 1 study, '101' found Trappsol Cyclo was well-tolerated by patients 18 and older, with cholesterol cleared from cells, similar to effects from nonclinical studies in NPC models. Its Phase 2 trial '201' found 100% of patients assessed by treating physicians were either stable or improved, with 88% (8 of 9 patients who completed the study), experiencing clinically meaningful improvements in one or more efficacy endpoints.

Trappsol Cyclo for AD: Encouraged by animal models showing improvements in Alzheimer's symptoms following cyclodextrin administration, the FDA granted Cyclo Therapeutics compassionate use authorization to test IV infusion of Trappsol Cyclo for 18 months on a single geriatric patient in 2018. Remarkably, the patient stabilized as measured by the Alzheimer's Mini-Mental State Evaluation (MMSE) performance and disease did not progress during the trial as it normally would have if left untreated. 18 months of Phase 1 data led to development of Phase 2 protocol, which studies intravenous doses of 500mg/kilo and 1000mg/kilo once a month versus a placebo. Cyclo Therapeutics' Phase 2b clinical trial to explore Trappsol Cyclo for AD is underway, with a target of 90 patients in 6 countries and the goal of testing safety, tolerability, and potential efficacy.

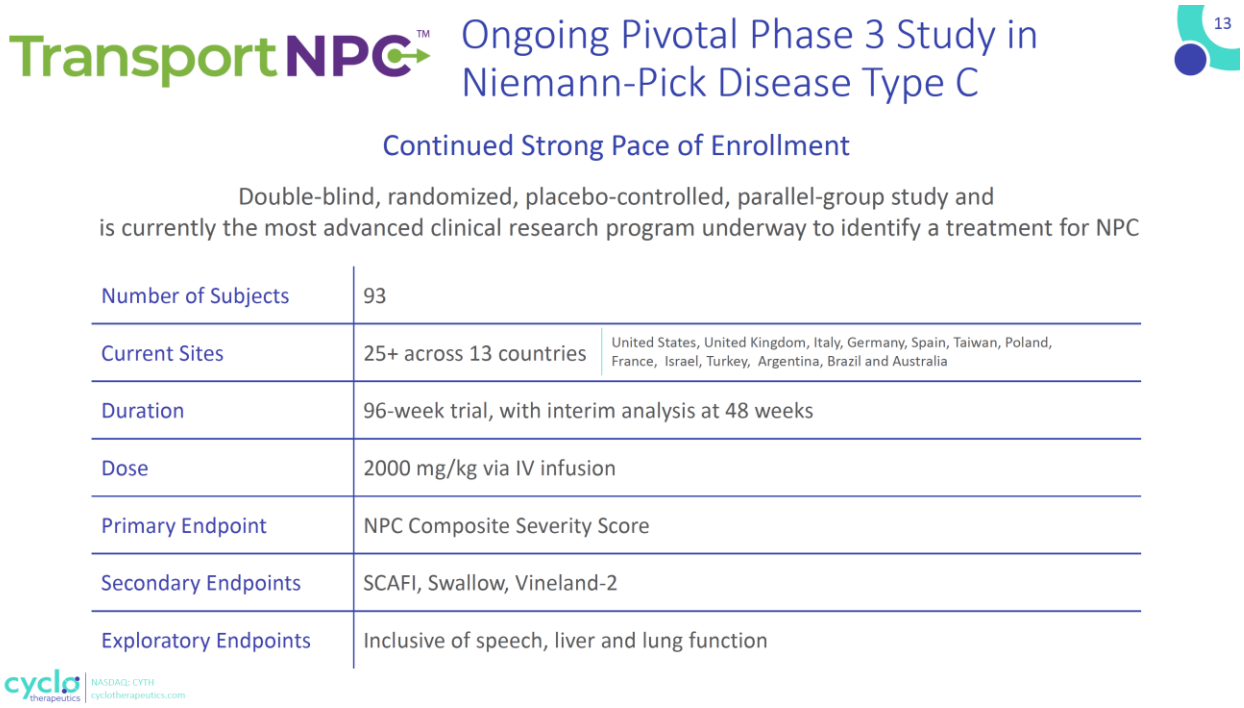
In addition, Cyclo Therapeutics has sought to protect its intellectual property related to the use of cyclodextrins in treating AD by filing patents. In October 2019, the company filed a national and international patent application for the treatment of AD with cyclodextrins. On June 12, 2023, the company received a notice of allowance for this patent application from the European Patent Office. In January 2024, the company received a notice of allowance from the US Patent office for this same patent, titled "Methods of Treating Alzheimer's Disease."

Exhibit 14: Cyclo Therapeutics, Inc. Phase 1 and 2 Studies of Trappsol Cyclo for NPC



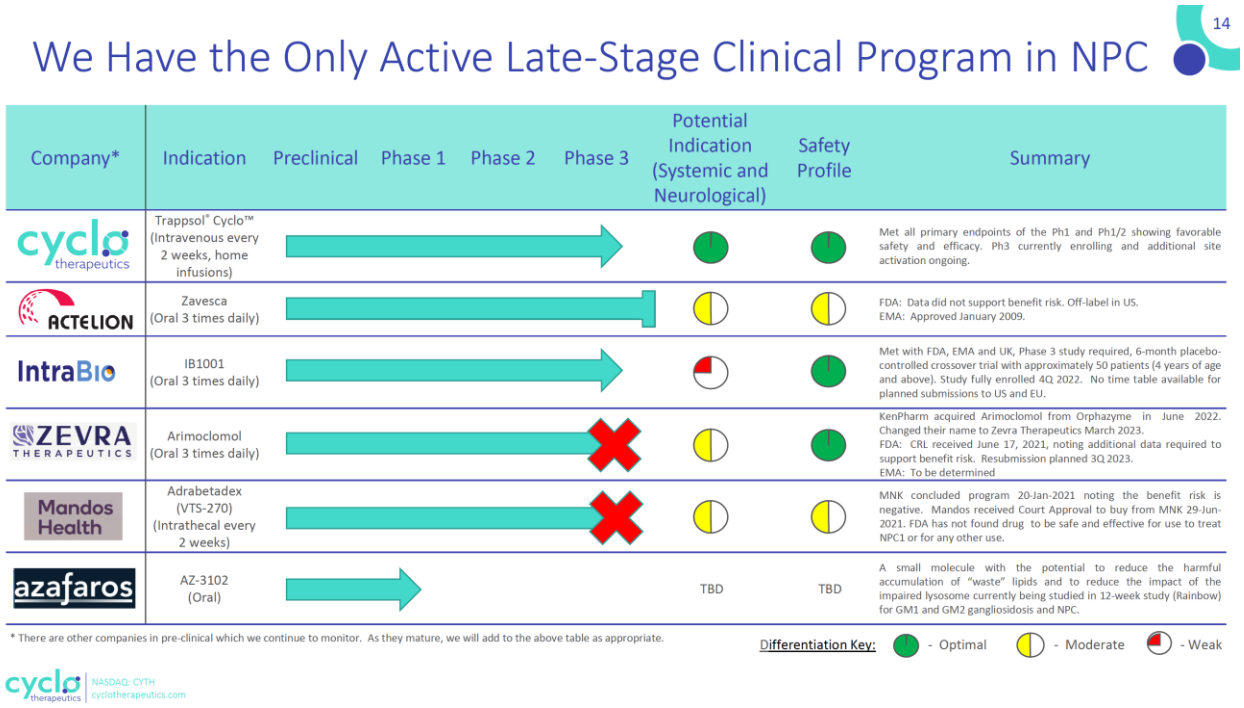
Source: Company Reports

Exhibit 15: Cyclo Therapeutics, Inc. Phase 3 Study of Trappsol Cyclo for NPC



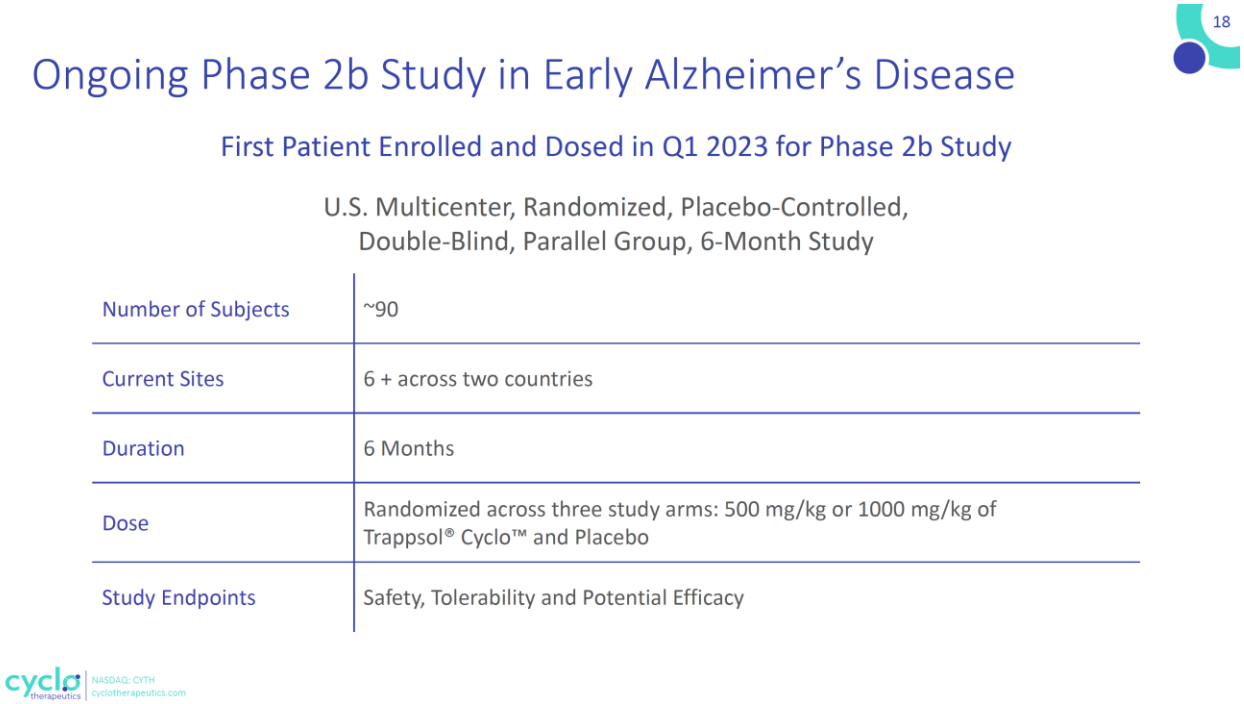
Source: Company Reports

Exhibit 16: NPC Clinical Studies Competitive Landscape



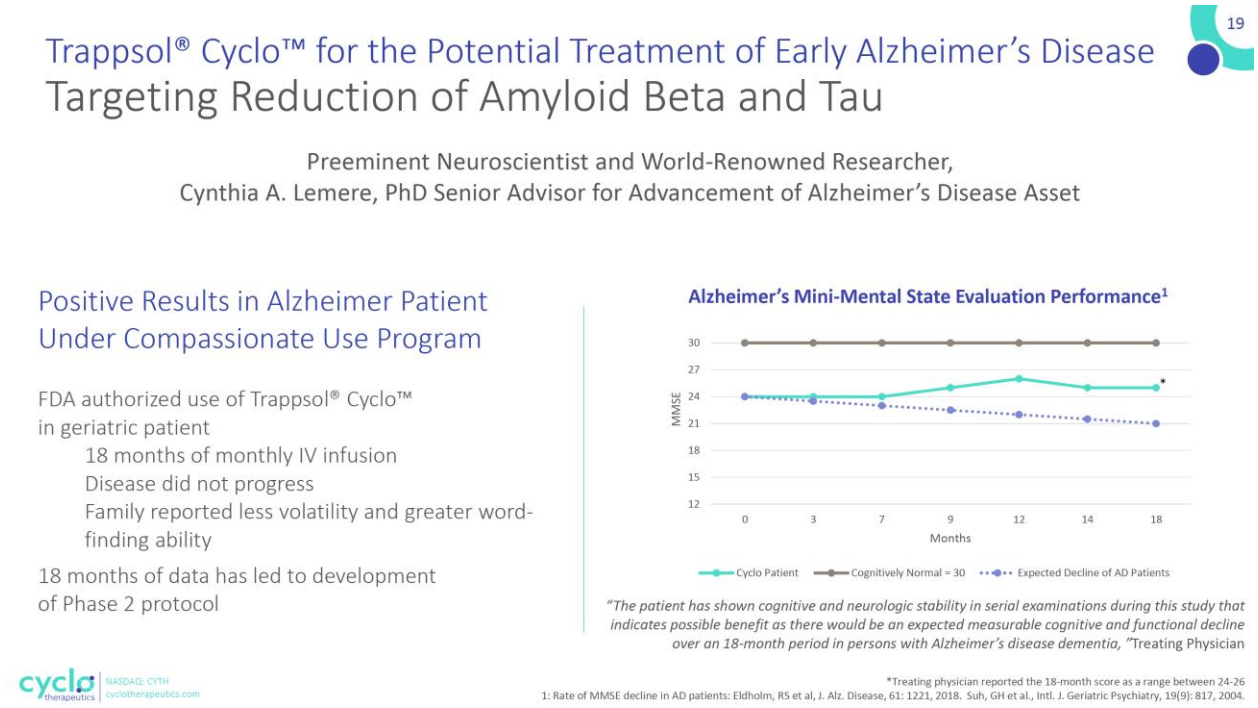
Source: Company Reports

Exhibit 17: Cyclo Therapeutics, Inc. Phase 2b Study of Trappsol Cyclo for Alzheimer's Disease



Source: Company Reports

Exhibit 18: Cyclo Therapeutics, Inc. Phase 1 Study of Trappsol Cyclo for Alzheimer's Disease, Positive Results



Source: Company Reports

Target Market Size

NPC Market: Cyclo Therapeutics estimates the US NPC patient population at around 400 individuals, with adolescent and adults surviving on average for 12 years. Despite the rarity of NPC, Cyclo Therapeutics estimates a significant market size thanks to high pricing for potential treatments. Specifically, the company believes that it will be able to charge, if successful, north of $600,000 per patient per year in the US. Assuming it can achieve 50% US market share, then it would have a servable market opportunity in the US of $120 million per year. The company further estimates the international opportunity at double the US opportunity, implying an additional $240 million of peak annual revenues overseas. Given the dominant position Cyclo Therapeutics has in clinical research for NPC therapeutics, we believe the company is well-positioned to assess the potential market size for its therapy, and what the market will support.

AD Therapeutic Market: In 2024, the market for AD Therapeutics is expected to reach $5 billion and grow at a CAGR of 8.7% to reach $8 billion by 2032. Approaches include targeting amyloid-beta plaques, tau protein tangles, inflammation, and other pathways believed to be involved in the disease's pathogenesis. The leading AD therapies on the market today primarily include cholinesterase inhibitors and NMDA receptor antagonists. Cholinesterase inhibitors currently on the market include Donepezil (Aricept), manufactured by Eisai in partnership with Pfizer, Rivastigmine (Exelon), produced by Novartis, and Galantamine (Razadyne), marketed by Janssen Pharmaceuticals. All are used to treat mild to moderate AD. NMDA Receptor antagonists include Memantine (Namenda), produced by Forest Laboratories (now part of Allergan), and is used for moderate to severe Alzheimer's disease. Some treatments combine cholinesterase inhibitors and NMDA receptor antagonists to target different aspects of Alzheimer's disease. An example is Namzaric, a combination of Memantine and Donepezil, manufactured by Allergan. New therapies are emerging, such as the recently approved Aducanumab (Aduhelm) by Biogen, which targets amyloid-beta plaques in the brain. Another notable mention is Lecanemab (Leqembi) by Eisai and Biogen, which also targets amyloid-beta and has shown promise in slowing cognitive decline in early-stage Alzheimer's patients. These therapies aim to improve or maintain cognitive function, manage behavioral symptoms, and slow down the progression of AD. However, while these treatments can help manage symptoms, there is currently no cure for Alzheimer's disease, and the effectiveness of these drugs can vary between individuals.

While it is unclear what the pricing might be for potential AD therapies from Cyclo Therapeutics, any drug that is disease altering, as Trappsol Cyclo promises to be would be a substantial breakthrough and likely reach a market of millions of patients through a licensing partner. If the company can obtain approval for its NPC indication, this is likely to catalyze interest and third-party resources to drive the company's AD program forward, given similarities in the 2 diseases. In our valuation model, we assume a probability-weighted peak revenue opportunity of $97.5 million in annual licensing fees for Cyclo Therapeutics' AD program, similar in scale to the NPC opportunity, but subject to greater uncertainty.

Competitive Landscape

Competitive Landscape in NPC: Several biotechnology and pharmaceutical companies are involved in the research and development of treatments for NPC. Competitors to Cyclo Therapeutics include:

- **IntraBio:** Known for its research on IB1001, an N-acetyl-leucine compound, IntraBio is conducting a Phase 3 trial of IB1001 for NPC, but no timetable is available for planned submissions to regulators in the US and EU.
- **Actelion (Part of Johnson & Johnson):** Actelion's Miglustat (Zavesca) received approval for NPC treatment in the EU, Canada, and Japan but not in the US.
- **Zevra Therapeutics (Previously KenPharm):** Zevra's research focuses on Arimoclomol, a compound posited to prompt a heat shock protein response to aid in protein folding, thereby possibly reducing cellular toxicity and mitigating the cellular stress associated with NPC. Resubmission of data is planned for later in 2023.
- **Azafaros:** Currently conducting a Phase 1 study of a small molecule (AZ-3102) that could address the underlying metabolic issues inherent in lysosomal storage disorders.

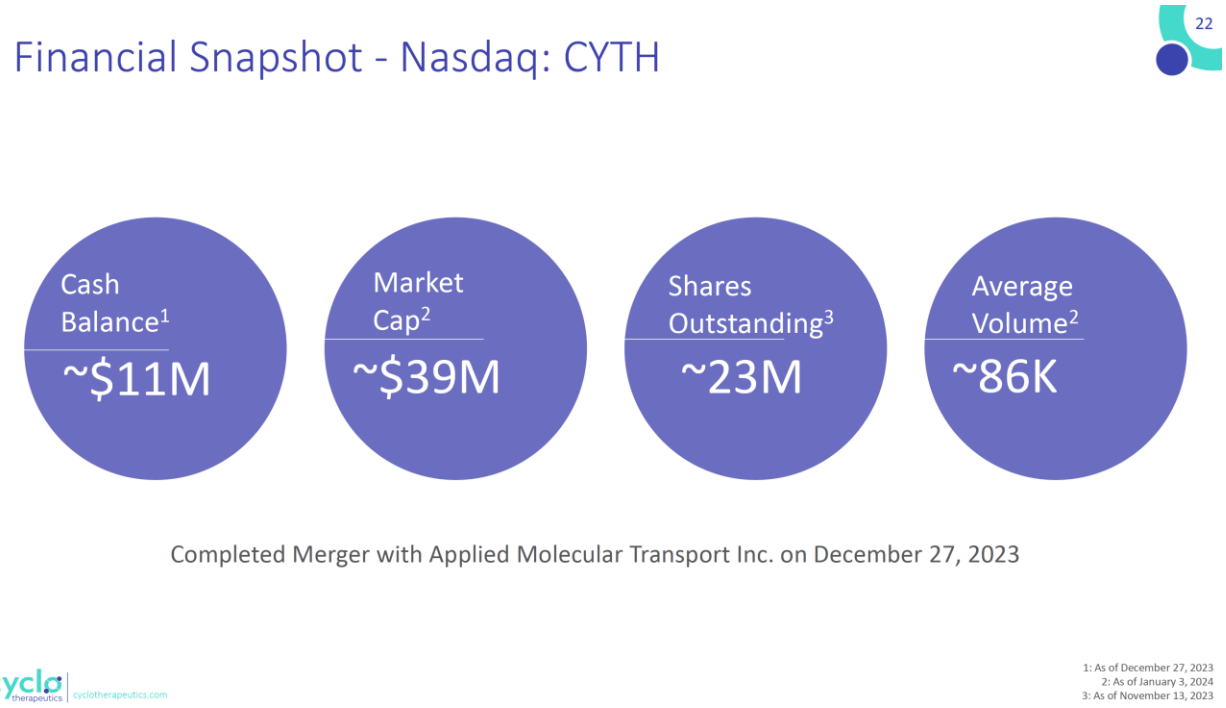
Of the companies working on NPC therapies, Cyclo Therapeutics is the only one with an active late-stage US clinical trial program in NPC.

Competitive landscape in AD: Numerous companies are actively working on developing new treatments for AD, with several different approaches being investigated. Key players include:

- **Biogen:** Developed Aducanumab (marketed as Aduhelm), which received FDA approval under the accelerated approval pathway for the treatment of AD, although its use has been controversial and limited due to questions about its efficacy.
- **Eli Lilly:** Working on an antibody treatment called Donanemab, which targets amyloid-beta plaques in the brain.
- **Roche/Genentech:** Conducting research on Gantenerumab, another antibody directed at amyloid-beta.
- **Eisai and Biogen:** Collaborating on Lecanemab, an anti-amyloid beta protofibril antibody, currently in Phase 3 clinical trials.

Though many approaches are being explored, current therapies are all aimed at managing symptoms and are therefore not disease altering.

Exhibit 19: Cyclo Therapeutics, Inc. Financial Highlights

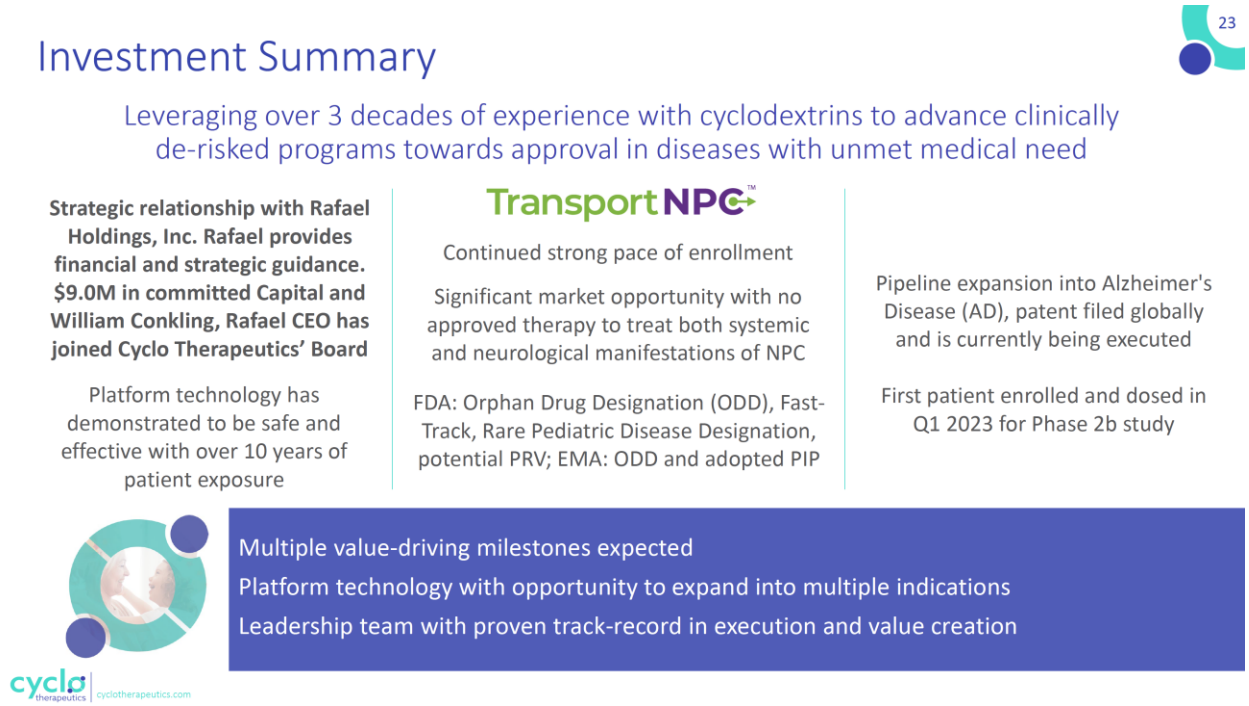


Source: Company Reports

Exhibit 20: Cyclo Therapeutics, Inc. Strategic Partnership with Rafael Holdings, Inc.

Source: Company Reports

Exhibit 21: Cyclo Therapeutics, Inc. Investment Highlights



Source: Company Reports

FINANCIALS

Overview: Cyclo Therapeutics was founded in 1990 as a specialty chemicals business under the name Cyclodextrin Technologies Development, Inc. and has been publicly traded since 1995. By 2015, the company had transitioned to focusing on therapeutics for degenerative neurological conditions. In 2019 the company rebranded itself as Cyclo Therapeutics. The company has a December fiscal year. Following is a summary of key results from the company's most recently filed 10K:

2023 results and milestones: On March 18, the company filed its 10K for 2023. Highlights were as follows:

- Annual revenues were $1.1 million, down 22% yoy. All of Cyclo Therapeutics' revenues come from its legacy specialty chemicals business.
- Total operating expenses for the year were $21.1 million, up 24% from the prior year. The biggest item was research and development expenses of $14.2 million for the company's clinical trials, followed by G&A expenses of $7.9 million, including $2.4 million of personnel expenses and $1.9 million of professional expenses.
- Net loss was $20.1 million for the year, up 30% the prior year. EPS was $(1.23), compared with $(1.83) in the prior year.
- In January 2023, the company completed an ATM offering, netting $3.7 million.
- In May 2023, Cyclo Therapeutics completed a $2.1 million private placement with Rafael Holdings, Inc., issuing over 2.5 million shares and an equal number of warrants, intending to use the proceeds to bolster its working capital and support Trappsol Cyclo development programs.
- In August, Cyclo Therapeutics finalized a $5.0 million private placement with Rafael Holdings, Inc., issuing 4 million shares and an equal number of warrants to bolster its working capital and support its Trappsol Cyclo development programs.
- In December the company finalized its all-stock merger with Applied Molecular Transport Inc., continuing AMT's operations under the Cyclo Therapeutics name. This merger extends the company's cash runway into mid 2024, making available an additional $11.0 million to fund its operations, particularly its Phase 3 study of Trappsol Cyclo for NPC (TransportNPC).

- Also in December, the company reported a positive outcome from a Type C meeting with the FDA regarding TransportNPC, which evaluates Trappsol Cyclo for treating NPC. The FDA's feedback provided guidance for the study's comparative interim analysis, with an anticipated data readout in Q1 2025. This progress aligns Cyclo Therapeutics with the FDA's guidance, setting the stage for a pre-NDA meeting in the first half of 2024.

Exhibit 22: Cyclo Therapeutics, Inc. Annual Historical and Projected Financial Metrics

FYE December ($ mils, except EPS) Fiscal Year End: December 31	2020 FY-A	2021 FY-A	2022 FY-A	2023 FY-A	2024 FY-E	2025 FY-E
Revenue	0.9	1.6	1.4	1.1	1.2	1.3
Operating income (loss)	(9.0)	(14.3)	(15.6)	(20.1)	(22.1)	(24.3)
Net income (loss)	(8.9)	(14.3)	(15.5)	(20.1)	(22.1)	(24.3)
EPS	(5.59)	(2.24)	(1.83)	(1.23)	(0.77)	(0.85)
Operating cash flow	(8.5)	(15.0)	(15.1)	(16.2)	(21.7)	(24.2)

Source: Company Reports, Ascendiant Capital Markets Estimates

Income Statement: Sales of Cyclo Therapeutics' legacy chemical products were down 22% in 2023 to $1.1 million, driven by cyclic purchasing behavior of key customers. The revenue concentration remained high, with the two largest customers, Charles River Laboratories, Inc. and Ventana Medical Systems, Inc., contributing 72% of annual sales. In 2023, Cyclo Therapeutics, Inc. saw gross margins improve to 92% from 90%, reflecting changes in product mix and customer order sizes. The company's reported cost of goods sold excludes freight, overhead, depreciation, shipping, warehousing, and personnel costs, making it less comparable to other chemical producers. Moreover, the company has de-emphasized its legacy chemical business in favor of cyclodextrin-based therapies going forward, making the legacy chemical business less relevant to valuation and future prospects. Operating expenses were up 24% to 21.1 million, with research and development expenses constituted the largest component, increasing 58% to $14.2 million due to intensified activities in the Phase 3 study of Trappsol Cyclo for NPC. Personnel expenses decreased by 15% to $3.4 million, while professional fees declined 20% to $1.9 million. For 2024, we are modeling 10% growth in operating expenses to $23.2 million and a projected net loss of $22.1 million, compared to a loss of $20.1 million in FY23.

Balance Sheet: In FY23, Cyclo Therapeutics burned around $4 million of cash per quarter. For FY24, we forecast a burn rate of $5.4 million per quarter. With liquidity of $9.2 million on the balance sheet exiting Q4 FY23 (Dec), the company appears to have at least 5 months of runway, after which it will most likely be necessary to raise equity financing again, as the company is at least 18 months away from FDA approval of Trappsol Cyclo for NPC.

Exhibit 23: Cyclo Therapeutics, Inc. Consensus Earnings Estimates

April 18, 2024

	Revenue (USD million)			EPS (USD)	
	FY2024E	FY2025E		FY2024E	FY2025E
Q1 Mar	$0.5E		Q1 Mar	$(0.17)E	
Q2 Jun	$0.5E		Q2 Jun	($0.18)E	
Q3 Sep	$0.6E		Q3 Sep	($0.12)E	
Q4 Dec	$0.6E		Q4 Dec	$(0.12)E	
Total	$2.2E	$3.2E	Total	$(0.57)E	$(0.48)E

Source: Company Reports, Capital IQ, Ascendiant Capital Markets Estimates

Initiating Estimates: We are initiating EPS estimates of ($0.77) for FY 2024 and ($0.85) for FY 2025 on revenues of $1.2 million and $1.3 million respectively. This compares to consensus estimates of ($0.57) and ($0.48) for FY24 and FY25, respectively. Consensus

estimates incorporate more optimistic revenue estimates of $2.2 million in FY24 and $3.2 million in FY25, i.e. doubling in FY24 and growing 45% yoy in FY25. We are taking a more conservative approach, awaiting better visibility.

Conclusion: We believe investors should be focused on the company's progress in obtaining FDA approval for its signature NPC therapy, Trappsol Cyclo, currently anticipated by early 2026. If Trappsol Cyclo is approved for NPC in the US, it will become more likely that the company will be able to find a licensing partner among major pharmaceutical companies to help advance its program for AD. Both programs could result in 9-figure revenue opportunities for Cyclo Therapeutics. We believe that the biggest potential variable and challenge to our financial model is the timeline for NPC approval. With the company spending $4-5 million per quarter, any potential delays will likely result in the need to raise dilutive financing. If approval is ultimately obtained, then the company will likely generate substantial revenues and cash flows from its sales of Trappsol Cyclo. However, if FDA approval is not forthcoming, then revenue growth and profitability may not be achieved, making it more difficult to unlock the value of the company's intellectual property.

FINANCIAL MODEL

CYCLO THERAPEUTICS, INC (CYTH)

Income Statement ($ mils) Fiscal Year End: December 31	2020 FY-A	2021 FY-A	2022 FY-A	Mar-23 Q1A	Jun-23 Q2A	Sep-23 Q3A	Dec-23 Q4A	2023 FY-A	Mar-24 Q1E	Jun-24 Q2E	Sep-24 Q3E	Dec-24 Q4E	2024 FY-E	Mar-25 Q1E	Jun-25 Q2E	Sep-25 Q3E	Dec-25 Q4E	2025 FY-E
Trappsol®Cyclo™ revenue	*3%*	*0%*	*0%*	*35%*	*49%*	*0%*	*-35%*	*0%*										
Trappsol®HPB revenue	*58%*	*42%*	*62%*	*56%*	*49%*	*69%*	*53%*	*60%*										
Trappsol®Fine Chemical revenue	*37%*	*45%*	*36%*	*2%*	*2%*	*31%*	*82%*	*38%*										
Aquaplex®revenue	*1%*	*12%*	*0%*	*6%*	*0%*	*0%*	*0%*	*1%*										
Other revenue	*1%*	*1%*	*1%*	*0%*	*0%*	*0%*	*1%*	*0%*										
Trappsol®Cyclo™	0.0	0.0	0.0	0.1	0.1	-	(0.1)	0.0	0.1	0.1	-	(0.1)	0.0	0.1	0.1	-	(0.1)	0.0
Trappsol®HPB	0.5	0.7	0.9	0.1	0.1	0.3	0.2	0.6	0.1	0.1	0.4	0.2	0.7	0.1	0.1	0.4	0.2	0.8
Trappsol®Fine Chemical	0.3	0.7	0.5	0.0	0.0	0.2	0.3	0.4	0.0	0.0	0.2	0.3	0.5	0.0	0.0	0.2	0.3	0.5
Aquaplex®	0.0	0.2	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
Other	0.0	0.0	0.0	-	-	0.0	0.0	0.0	-	-	0.0	0.0	0.0	-	-	0.0	0.0	0.0
Total revenue	**0.9**	**1.6**	**1.4**	**0.2**	**0.1**	**0.5**	**0.3**	**1.1**	**0.2**	**0.1**	**0.5**	**0.3**	**1.2**	**0.2**	**0.1**	**0.6**	**0.4**	**1.3**
Operating expenses																		
Personnel	2.6	3.8	4.0	0.9	0.8	0.8	0.9	3.4	1.0	0.9	0.9	0.9	3.7	1.1	0.9	1.0	1.0	4.1
Cost of products sold (exclusive of direct and indirect	0.1	0.2	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1
Research and development	6.1	9.2	9.0	3.4	3.2	3.5	4.1	14.2	3.7	3.5	3.8	4.6	15.6	4.1	3.8	4.2	5.0	17.2
Repairs and maintenance	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	0.0
Professional fees	0.5	1.5	2.4	0.5	0.4	0.6	0.4	1.9	0.5	0.5	0.7	0.5	2.1	0.6	0.5	0.7	0.5	2.4
Office and other	0.5	1.1	1.0	0.3	0.3	0.2	0.4	1.2	0.3	0.3	0.2	0.4	1.3	0.3	0.3	0.3	0.5	1.4
Board of Director fees and costs	0.1	0.1	0.4	0.1	0.1	0.1	0.1	0.3	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.1	0.1	0.4
Depreciation	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	0.0
Freight and shipping	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	0.0
Bad debt expense	0.0	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses	9.9	15.9	17.0	5.2	4.8	5.3	6.0	21.1	5.7	5.2	5.8	6.5	23.2	6.2	5.7	6.4	7.2	25.6
Loss from operations	**(9.0)**	**(14.3)**	**(15.6)**	**(5.0)**	**(4.6)**	**(4.8)**	**(5.6)**	**(20.1)**	**(5.5)**	**(5.1)**	**(5.2)**	**(6.2)**	**(22.1)**	**(6.1)**	**(5.6)**	**(5.8)**	**(6.8)**	**(24.3)**
Other income (expense)																		
Investment and other income (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	(0.0)
Gain on forgiveness of PPP loan	-	-	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income before taxes	(8.9)	(14.3)	(15.5)	(5.0)	(4.6)	(4.8)	(5.6)	(20.1)	(5.5)	(5.1)	(5.2)	(6.2)	(22.1)	(6.1)	(5.6)	(5.8)	(6.8)	(24.3)
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net loss	**(8.9)**	**(14.3)**	**(15.5)**	**(5.0)**	**(4.6)**	**(4.8)**	**(5.6)**	**(20.1)**	**(5.5)**	**(5.1)**	**(5.2)**	**(6.2)**	**(22.1)**	**(6.1)**	**(5.6)**	**(5.8)**	**(6.8)**	**(24.3)**
Weighted average common shares outstanding	1.6	6.4	8.4	11.0	14.0	16.2	24.1	16.3	26.4	28.7	28.7	28.7	28.7	28.7	28.7	28.7	28.7	28.7
Shares, Diluted	1.6	6.4	8.4	11.0	14.0	16.2	24.1	16.3	26.4	28.7	28.7	28.7	28.7	28.7	28.7	28.7	28.7	28.7
EPS Basic (GAAP)	(5.59)	(2.24)	(1.83)	(0.46)	(0.33)	(0.29)	(0.23)	(1.23)	(0.21)	(0.18)	(0.18)	(0.22)	(0.77)	(0.21)	(0.20)	(0.20)	(0.24)	(0.85)
EPS Diluted (GAAP)	**(5.59)**	**(2.24)**	**(1.83)**	(0.46)	(0.33)	(0.29)	(0.23)	**(1.23)**	(0.21)	(0.18)	(0.18)	(0.22)	**(0.77)**	(0.21)	(0.20)	(0.20)	(0.24)	**(0.85)**
Margins																		
Gross margin	93%	90%	90%	93%	83%	92%	95%	92%	93%	83%	92%	95%	92%	93%	83%	92%	95%	92%
General and admin	408%	410%	568%	1145%	1327%	353%	574%	635%	1145%	1327%	353%	574%	635%	1145%	1327%	353%	574%	635%
Sales and marketing																		
Operating margin	-992%	-901%	-1136%	-3285%	-3956%	-962%	-1812%	-1863%	-3285%	-3956%	-962%	-1812%	-1863%	-3285%	-3956%	-962%	-1812%	-1863%
Tax rate, GAAP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net margin	-990%	-901%	-1123%	-3285%	-3959%	-963%	-1812%	-1863%	-3285%	-3959%	-963%	-1812%	-1863%	-3285%	-3958%	-963%	-1812%	-1863%
Y/Y % change																		
Revenue	-10%	76%	-13%	-22%	-78%	10%	67%	-22%	10%	10%	10%	10%	**10%**	10%	10%	10%	10%	**10%**
COGS	-12%	135%	-11%	-38%	-73%	17%	-2%	-39%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
General and administrative expenses	7%	77%	20%	-14%	-24%	-3%	-8%	-13%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Total operating expenses	15%	61%	7%	65%	19%	12%	15%	24%	10%	10%	10%	10%	**10%**	10%	10%	10%	10%	**10%**
Operating Income	19%	59%	9%	71%	34%	12%	13%	28%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Net income	19%	60%	8%	81%	34%	12%	13%	30%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
EPS	-20%	-60%	-18%	38%	-19%	-41%	-60%	-33%	-54%	-46%	-38%	-8%	-37%	1%	10%	10%	10%	10%

Source: Company reports , Ascendiant Capital Markets estimates

CYCLO THERAPEUTICS, INC (CYTH)

Balance Sheet ($ mils) Fiscal Year End: December 31	Dec-20 Q4A	Dec-21 Q4A	Dec-22 Q4A	Mar-23 Q1A	Jun-23 Q2A	Sep-23 Q3A	Dec-23 Q4A	Mar-24 Q1E	Jun-24 Q2E	Sep-24 Q3E	Dec-24 Q4E	Mar-25 Q1E	Jun-25 Q2E	Sep-25 Q3E	Dec-25 Q4E
Current assets															
Cash	12.8	16.6	1.5	0.9	0.8	1.8	9.2	4.0	(1.0)	(6.5)	(12.6)	(18.6)	(24.2)	(30.1)	(36.8)
Accounts receivable, net	0.1	0.5	0.1	0.1	0.1	0.3	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.2	0.1
Inventories, net	0.2	0.2	0.3	0.2	0.2	0.2	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current portion of mortgage note receivable	0.0	0.0	-	-	-	-	-								
Prepaid insurance and services	0.1	0.0	0.1	0.2	0.2	0.2	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Prepaid clinical expenses	0.7	2.0	2.2	2.5	3.2	3.0	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Total current assets	**14.1**	**19.4**	**4.2**	**4.0**	**4.5**	**5.5**	**12.3**	**6.8**	**1.7**	**(3.5)**	**(9.7)**	**(15.8)**	**(21.4)**	**(27.2)**	**(34.0)**
FURNITURE AND EQUIPMENT, NET	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RIGHT-OF-USE LEASE ASSET, NET	0.0	0.0	0.0	0.1	0.0	0.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Mortgage note receivable, less current portion	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	**14.2**	**19.5**	**4.2**	**4.1**	**4.6**	**5.6**	**13.2**	**7.7**	**2.6**	**(2.6)**	**(8.8)**	**(14.9)**	**(20.5)**	**(26.2)**	**(33.1)**
Liabilities and Stockholders' Equity															
Current liabilities															
Current portion of lease liability	0.0	0.0	-	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Current portion of long-term debt	0.1	0.1	-	-	-	-	-								
Accounts payable and accrued expenses	3.5	3.7	3.5	4.5	6.1	6.6	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Total current liabilities	**3.7**	**3.8**	**3.5**	**4.5**	**6.1**	**6.6**	**8.5**	**8.5**	**8.5**	**8.5**	**8.5**	**8.5**	**8.5**	**8.5**	**8.5**
Lease liability, net of current portion	0.0	-	-	0.0	0.0	0.0	0.0								
Long-term debt, less current portion	0.0	0.0	-	-	-	-	-								
Total liabilities	**3.7**	**3.8**	**3.5**	**4.5**	**6.1**	**6.6**	**8.5**	**8.5**	**8.5**	**8.5**	**8.5**	**8.5**	**8.5**	**8.5**	**8.5**
Stockholders' Equity															
Preferred stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common stock	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
Additional paid-in capital	44.5	64.0	64.5	68.4	72.0	77.2	88.6	88.6	88.6	88.6	88.6	88.6	88.6	88.6	88.6
Stock subscription receivable	-	-	-	-	-	-	-								
Accumulated deficit	(34.1)	(48.3)	(63.8)	(68.8)	(73.4)	(78.2)	(83.9)	(89.4)	(94.5)	(99.7)	(105.9)	(112.0)	(117.6)	(123.4)	(130.2)
Total stockholders' equity	**10.5**	**15.7**	**0.7**	**(0.4)**	**(1.5)**	**(1.1)**	**4.8**	**(0.8)**	**(5.9)**	**(11.1)**	**(17.3)**	**(23.4)**	**(29.0)**	**(34.7)**	**(41.6)**
Total liabilities and stockholders' equity	**14.2**	**19.5**	**4.2**	**4.1**	**4.6**	**5.6**	**13.2**	**7.7**	**2.6**	**(2.6)**	**(8.8)**	**(14.9)**	**(20.5)**	**(26.3)**	**(33.1)**

Balance Sheet Drivers

	Dec-20 Q4A	Dec-21 Q4A	Dec-22 Q4A	Mar-23 Q1A	Jun-23 Q2A	Sep-23 Q3A	Dec-23 Q4A	Mar-24 Q1E	Jun-24 Q2E	Sep-24 Q3E	Dec-24 Q4E	Mar-25 Q1E	Jun-25 Q2E	Sep-25 Q3E	Dec-25 Q4E
Book & Cash Value (per share)															
Book Value per Share (diluted)	-	2.5	0.1	(0.0)	(0.1)	(0.1)	0.2	(0.0)	(0.2)	(0.4)	(0.6)	(0.8)	(1.0)	(1.2)	(1.4)
Cash per Share (diluted)	8.1	2.6	0.2	0.1	0.1	0.1	0.4	0.2	(0.0)	(0.2)	(0.4)	(0.6)	(0.8)	(1.0)	(1.3)
Net cash per Share (diluted)	7.9	2.6	0.2	0.1	0.1	0.1	0.4	0.2	(0.0)	(0.2)	(0.4)	(0.6)	(0.8)	(1.0)	(1.3)

Source: Company reports, Ascendiant Capital Markets estimates

CYCLO THERAPEUTICS, INC (CYTH)

Cash Flow Statement ($ mils) Fiscal Year End: December 31	2021 FY-A	2022 FY-A	Mar-23 Q1A	Jun-23 Q2A	Sep-23 Q3A	Dec-23 Q4A	2023 FY-A	Mar-24 Q1E	Jun-24 Q2E	Sep-24 Q3E	Dec-24 Q4E	2024 FY-E	Mar-25 Q1E	Jun-25 Q2E	Sep-25 Q3E	Dec-25 Q4E	2025 FY-E
Cash flow from operating activities																	
CASH FLOWS FROM OPERATING ACTIVITIES	**(14.3)**	**(15.5)**	**(5.0)**	**(4.6)**	**(4.8)**	**(5.6)**	**(20.1)**	(5.5)	**(5.1)**	**(5.2)**	**(6.2)**	**(22.1)**	(6.1)	**(5.6)**	**(5.8)**	**(6.8)**	**(24.3)**
Adjustments:												10%					10%
Depreciation and amortization	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
Loss (gain) on disposal of equipment	-	-	-	-	-	-	-					-					-
Gain on forgiveness of PPP loan	-	(0.2)	-	-	-	-	-					-					-
Bad debt expense	0.0	-	-	-	-	-	-					-					-
Provision for doubtful accounts	-	0.0	-	-	-	-	-					-					-
PPP loan forgiveness	-	-	-	-	-	-	-					-					
Stock-based compensation	-	0.4	-	0.1	0.1	0.1	0.4					-					
Provision for inventory obsolescence						0.1	0.1										
Stock compensation to employees	0.1	0.0	0.1	(0.1)	-	0.0	0.0					-					
Stock compensation to nonemployees	0.1	0.1	-	0.1	0.1	0.1	0.3					-					
Issuance of stock-based compensation	0.3	-	-	-	-	-	-					-					
Impairment on property held for sale	-	-	-	-	-	-	-					-					
Inventory valuation allowance	-	-	-	-	-	-	-					-					
Write off deferred costs	-	-	-	-	-	-	-					-					
Net change in operating lease assets and liabilities	-	-	-	-	-	-	-					-					
Other	-	-	-	-	-	-	-					-					
Increase or decrease in:	-	-	-	-	-	-	-					-					-
Accounts receivable, net	(0.4)	0.4	(0.1)	0.0	(0.2)	0.2	(0.1)	0.1	0.0	(0.2)	0.1	(0.0)	0.1	0.0	(0.2)	0.1	(0.0)
Inventory, net	0.0	(0.0)	0.0	0.0	0.0	(0.1)	(0.1)	0.2	(0.0)	(0.0)	0.0	0.2	0.0	(0.0)	(0.0)	0.0	(0.0)
Prepaid clinical expenses	(1.3)	(0.2)	(0.3)	(0.7)	0.2	0.7	(0.1)	-	-	-	-	-	-	-	-	-	-
Prepaid insurance and services	0.1	(0.1)	(0.1)	0.0	0.0	0.1	0.0	-	-	-	-	-	-	-	-	-	-
Other	(0.0)	-	0.0	0.0	0.0	0.0	0.0					-					-
Accounts payable and accrued expenses	0.4	(0.2)	1.0	1.6	0.5	0.1	3.2	-	-	-	-	-	-	-	-	-	-
Total adjustments	(0.7)	0.3	0.6	1.2	0.7	1.3	3.9	0.3	0.0	(0.2)	0.1	0.2	0.1	0.0	(0.2)	0.1	0.0
Net cash used in operating activities	**(15.0)**	**(15.114)**	**(4.4)**	**(3.5)**	**(4.0)**	**(4.3)**	**(16.2)**	**(5.2)**	**(5.1)**	**(5.4)**	**(6.1)**	**(21.7)**	**(6.0)**	**(5.6)**	**(6.0)**	**(6.7)**	**(24.2)**
Investing Activities																	
Purchases of equipment	(0.0)	(0.0)	-	-	-	(0.0)	(0.0)	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of property and equipment, net of closing costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collections from mortgage note receivable	0.0	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash used in investing activities	**0.0**	**0.0**	**-**	**-**	**-**	**(0.0)**	**(0.0)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financing Activities																	
Net proceeds from sale of warrants	-	-	2.4	0.5	-	(0.5)	2.4	-	-	-	-	-	-	-	-	-	-
Net proceeds from sale of stock	18.8	-	1.3	2.9	5.0	0.5	9.7	-	-	-	-	-	-	-	-	-	-
Principal payments on notes payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal payments on line of credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exercise of stock options	-	-	-	-	0.0	-	0.0	-	-	-	-	-	-	-	-	-	-
Exercise of warrants	-	-	0.0	0.0	-	2.4	2.4	-	-	-	-	-	-	-	-	-	-
Payments on PPP loan	-	(0.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Merger recapitalization transaction costs						(0.7)	(0.7)										
Net proceeds from merger recapitalization						10.0	10.0										
Refund of PPP loan payments	(0.0)	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by financing activities	**18.8**	**0.0**	**3.7**	**3.4**	**5.0**	**11.7**	**23.9**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net cash increase (decrease)	**3.8**	**(15.1)**	**(0.6)**	**(0.1)**	**1.0**	**7.4**	**7.7**	**(5.2)**	**(5.1)**	**(5.4)**	**(6.1)**	**(21.7)**	**(6.0)**	**(5.6)**	**(6.0)**	**(6.7)**	**(24.2)**
Cash balance at beginning of period	12.8	16.6	1.5	0.9	0.8	1.8	1.5	9.2	4.0	(1.0)	(6.5)	(12.6)	(12.6)	(18.6)	(24.2)	(30.1)	(36.8)
Cash balance at end of period	**16.6**	**1.5**	**0.9**	**0.8**	**1.8**	**9.2**	**9.2**	**4.0**	**(1.0)**	**(6.5)**	**(12.6)**	**(12.6)**	**(18.6)**	**(24.2)**	**(30.1)**	**(36.8)**	**(36.8)**

Source: Company reports, Ascendiant Capital Markets estimates

ANALYST CERTIFICATION

Each analyst hereby certifies that the views expressed in this report reflect the analyst's personal views about the subject securities or issuers. Each analyst also certifies that no part of the analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report. The analyst who prepared this report is compensated based upon the overall profitability of Ascendiant Capital Markets, LLC, which may, from time to time, include the provision of investment banking, financial advisory and consulting services. Compensation for research is based on effectiveness in generating new ideas for clients, performance of recommendations, accuracy of earnings estimates, and service to clients.

Cyclo Therapeutics, Inc.

- Ascendiant Capital Markets, LLC has not received compensation for advisory or investment banking services from the company in the past 12 months.

IMPORTANT DISCLOSURES

This report has been distributed by Ascendiant Capital Markets, LLC and is for the sole use of our clients. This report is based on current public information that we consider reliable, but we do not represent it is accurate or complete, and it should not be relied on as such. This report contains information from various sources, including United States government publications, The Wall Street Journal and other periodicals, Yahoo! Finance and other sources, and is for informational purposes only and is not a recommendation to trade in the securities of the companies mentioned within the report. We seek to update our research and recommendations as appropriate, but the large majority of reports are published at irregular intervals as we consider appropriate and, in some cases, as constrained by industry regulations.

We may have a business relationship with companies covered in this report. Ascendiant Capital Markets, LLC may make a market in the securities of the subject company. We and our affiliates, officers, directors, and employees will from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives (including options and warrants) thereof of covered companies referred to in this report. This report is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any information in this report is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. The price and value of the investments referred to in this report may fluctuate.

Following are some general risks that can adversely impact future operational and financial performance and share price valuation: (1) industry fundamentals with respect to legislation, mandates, incentives, customer demand, or product pricing; (2) issues relating to competing companies or products; (3) unforeseen developments with respect to management, financial condition or accounting policies or practices; or (4) external factors that affect the interest rates, currency, the economy or major segments of the economy. Past performance is not a guide to future performance, future returns are not guaranteed, and loss of original capital may occur. Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors. Our report is disseminated primarily electronically, and, in some cases, in printed form. The information contained in this report is not incorporated into the contents of our website and should be read independently thereof.

Risks & Considerations

Risks to attainment of our share price target include balance sheet/liquidity risks, failure of product candidates to demonstrate safety and efficacy in clinical trials, failure to gain regulatory approvals, ability to commercialize product, failure to obtain suitable reimbursement, competition, changing macroeconomic factors, investor sentiment for investing in healthcare stocks, and changes in consumer or government priorities for healthcare.

Ascendiant Capital Markets, LLC Rating System

BUY: We expect the stock to provide a total return of 15% or more within a 12-month period.

HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

SELL: We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

Ratings Distribution and Investment Banking Disclosure (As of April 15, 2024)

			Investment Banking Services Past 12 Months	
	Count	**Percent**	**Count**	**Percent**
Buy	**55**	**98%**	**18**	**33%**
Hold	**0**	**0%**	**0**	**0%**
Sell	**1**	**2%**	**0**	**0%**
Total	**56**	**100%**	**18**	**32%**

Other Important Disclosures

Our analysts use various valuation methodologies including discounted cash flow, price/earnings (P/E), enterprise value/EBITDAS, and P/E to growth rate, among others. Risks to our price targets include failure to achieve financial results, product risk, regulatory risk, general market conditions, and the risk of a change in economic conditions.

Dissemination of Research

Ascendiant Capital Markets, LLC research is distributed electronically via the Thomson Reuters platforms, Bloomberg, Capital IQ, and FactSet. Please contact your investment advisor or institutional salesperson for more information.

General Disclaimer

The information and opinions in this report were prepared by Ascendiant Capital Markets, LLC. This information is not intended to be used as the primary basis of investment decisions and because of individual client objectives it should not be construed as advice designed to meet the particular investment needs of any investor. This material is for information purposes only and is not an offer or solicitation with respect to the purchase or sale of any security. The reader should assume that Ascendiant Capital Markets, LLC may have a conflict of interest and should not rely solely on this report in evaluating whether or not to buy or sell securities of issuers discussed herein. The opinions, estimates, and projections contained in this report are those of Ascendiant Capital Markets, LLC as of the date of this report and are subject to change without notice. Ascendiant Capital Markets, LLC endeavors to ensure that the contents have been compiled or derived from sources that we believe are reliable and contain information and opinions that are accurate and complete. However, Ascendiant Capital Markets, LLC makes no representation or warranty, express or implied, in respect thereof, takes no responsibility for any errors and omissions contained herein, and accepts no liability whatsoever for any loss arising from any use of, or reliance on, this report or its contents. Information may be available to Ascendiant Capital Markets, LLC, or its affiliates that is not reflected in this report. This report is not to be construed as an offer or solicitation to buy or sell any security.

Additional Disclosures

Ascendiant Capital Markets, LLC is a broker-dealer registered with the United States Securities and Exchange Commission (SEC) and a member of the FINRA and SIPC. Ascendiant Capital Markets, LLC is not a Registered Investment Advisor nor is it an investment advisor registered with the Securities and Exchange Commission or with the securities regulators of any state, and at the present time is not eligible to file for federal registration.