

Cingulate Inc.

Reports Q3 Inline. Expected positive milestones and clinical data over the next year to be strong catalysts for stock. Lowering P/T to \$6.50.

COMPANY UPDATE

Rating: BUY

Ticker: CING

Price: \$0.88

Target: \$6.50
(from \$7.00)

Q3 inline: Cingulate recently (on November 14) reported its Q3 2022 (ending September) results. Net loss was \$4.0 million or EPS of \$(0.36) compared with our estimates of \$(0.38) and consensus of \$(0.37). There was no guidance. Cingulate is a clinical stage drug development company so it has no revenue.

Operating expenses: Operating expenses were \$4.0 million, flat with Q2 2022's \$4.0 million.

No guidance: Management did not provide forward guidance.

CTx-1301 trial to start in December: The company is planning to start Phase 3 clinical trials for CTx-1301 in December (current Q4) 2022.

Slightly adjusting estimates: We are slightly adjusting our 2022 EPS estimate to \$(1.61) from \$(1.63).

Focused on ADHD: The company's initial focus is on the treatment of Attention Deficit/Hyperactivity Disorder (ADHD). The company is developing two proprietary first-line stimulant medications, CTx-1301 and CTx-1302, for the treatment of ADHD for all patient segments. The company also has a third product to treat anxiety, CTx-2103, in a formulation (preclinical trials) stage.

Precision Timed Release (PTR): The underlying medicines in CTx-1301 (dexamethylphenidate) and CTx-1302 (dextroamphetamine) are well established approved drugs for ADHD, but the differentiation in Cingulate's new drugs is their usage of its Precision Timed Release (PTR) drug delivery platform. CTx-1301 and CTx-1302 utilize a flexible core tableting technology designed to allow for the release of drug substance at specific, pre-defined time intervals, unlocking the potential for once-daily, multi-dose tablets.

CTx-1301: If the Phase 3 (to start in December) study results are positive, Cingulate plans to submit the NDA (new drug application) to the FDA for CTx-1301 in 1H 2024 with potential approval and commercialization in 2025.

CTx-1302: The company plans to initiate a Phase 1/2 bioavailability study for CTx-1302 in ADHD patients in 1H 2024. If the results from this study are successful, the company plans to initiate a pivotal Phase 3 clinical trials in all patient segments for CTx-1302 in 2024 with top-line results expected in 2025.

Large market potential: ADHD is a chronic neurobehavioral and developmental disorder that affects millions of children, adolescents and adults. In the U.S., ~6.4 million, or 11%, of children and adolescents aged 4-17 have been diagnosed with ADHD. Adult ADHD prevalence in the U.S. is estimated at ~11 million patients, or 4.4%, of the population. Total ADHD medication sales in the U.S have grown ~8% each year since 2010 and reaching ~\$18 billion in 2020.

Clinical data can be catalyst: Cingulate anticipates starting/finishing its various clinical trials over the next year. We believe achieving key milestones and strong positive data will likely be catalysts for the stock.

Balance sheet: As of Q3, the company has \$10 million in cash and \$5 million in debt. We believe the company has enough cash into mid-2023.

Positive risks versus rewards: Overall, concerns outweighed by growth prospects and valuation. Cingulate's 2 main drugs still have long development roads left and the high risks of clinical trials failures, but we believe the ~billion dollars market potential presents high rewards for the risks.

Current valuation attractive: We are maintaining our BUY rating, but lowering our 12-month price target to \$6.50 from \$7.00 based on a NPV analysis. This represents significant upside from the current share price and we believe appropriately balances out the high risks with large upside opportunities.

Company Description

Cingulate, based in Kansas City, KS, is a clinical stage biopharmaceutical company developing drugs utilizing its PTR drug delivery platform technology that enables once-daily tablets of multi-dose therapies.

Stock Data

Exchange:	NasdaqCM
52-week Range:	0.85 – 5.15
Shares Outstanding (million):	12
Market cap (\$million):	\$11
EV (\$million):	\$6
Debt (\$million):	\$5
Cash (\$million):	\$10
Avg. Daily Trading Vol. (\$million):	\$0.2
Float (million shares):	9
Short Interest (million shares):	0.1
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	2022E (Cur.)	2022E (Old)	2023E (Cur.)	2023E (Old)
Q1 Mar	0A		0E	
Q2 Jun	0A		0E	
Q3 Sep	0A	0E	0E	
Q4 Dec	0E		0E	
Total	0E		0E	
EV/Revs	N/A		N/A	

Earnings per Share (pro forma)

	2022E (Cur.)	2022E (Old)	2023E (Cur.)	2023E (Old)
Q1 Mar	(0.44)A		(0.46)E	
Q2 Jun	(0.36)A		(0.45)E	
Q3 Sep	(0.36)A	(0.38)E	(0.47)E	(0.46)E
Q4 Dec	(0.45)E		(0.46)E	
Total	(1.61)E	(1.63)E	(1.83)E	
P/E	N/A		N/A	

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 15.

Exhibit 1: Cingulate Inc. Corporate Overview

CINGULATE[®]

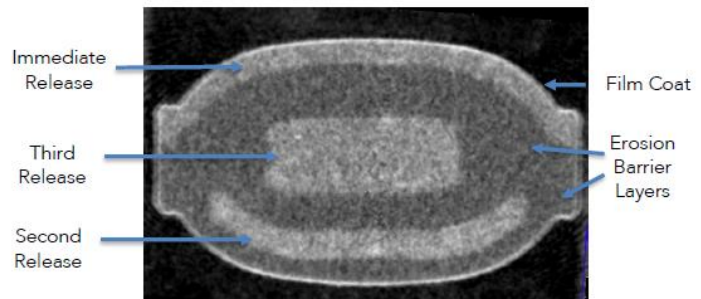


About Cingulate[®]

Cingulate is a clinical stage biopharmaceutical company focused on the development of innovative new product candidates for the treatments of Attention Deficit/Hyperactivity Disorder (ADHD) and anxiety associated disorders.

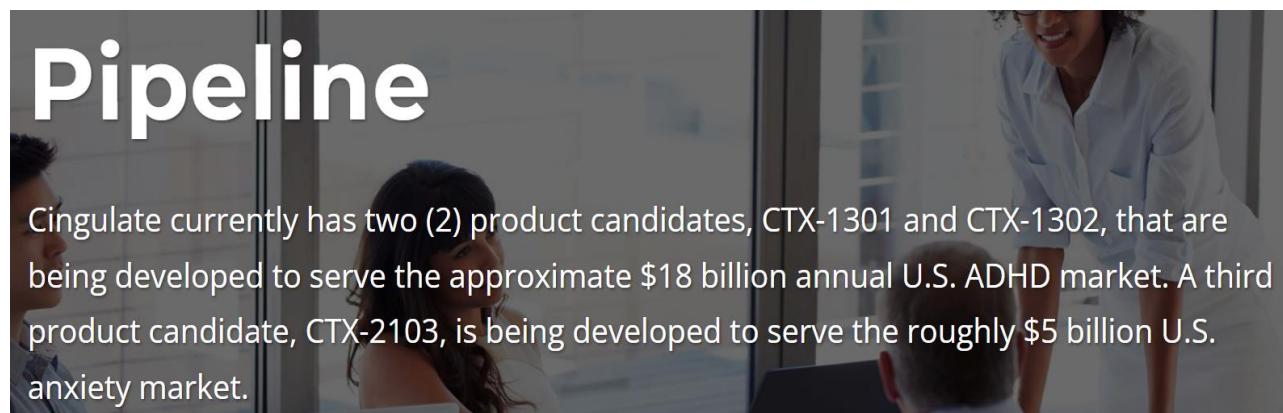
Developing Next-Generation Medications in Billion-Dollar Markets

Precision Timed Release[™] (PTR[™]) Platform Unlocks the Possibility for 'True' Once-daily, Multi-dose Tablets



Source: Company reports.

Exhibit 2: Cingulate Pipeline



Pipeline

Cingulate currently has two (2) product candidates, CTX-1301 and CTX-1302, that are being developed to serve the approximate \$18 billion annual U.S. ADHD market. A third product candidate, CTX-2103, is being developed to serve the roughly \$5 billion U.S. anxiety market.

Source: Company reports.

Exhibit 3: Cingulate's Precision Timed Release (PTR) Platform

Pipeline of Next-Generation Medications in Billion-Dollar Markets

Identified PTR™ Platform Pipeline Opportunities

In Development

- ADHD
- Anxiety

Near-Term

- Insomnia
- Depression
- Bipolar Disorder
- Parkinson's Disease
- Cardiovascular Disorders
- Xerostomia (dry mouth)

Future Therapeutic Areas

- Migraine
- Hypothyroidism
- Oral Oncology Medicines
- Psychosis
- Alzheimer's Disease
- Pain (Non-Opioid)

Source: Company reports.

Exhibit 4: Cingulate Development Pipeline

Catalysts Into 2023

ADHD

CTx-1301

CTx-1302

- | 4Q 2022 | 1H 2023 | 2H 2023 |
|--|---|---|
| <ul style="list-style-type: none"> ➤ Food Effect Clinical Study Report ➤ Initiate CTx-1301 Adult Onset / Duration Efficacy Trial | <ul style="list-style-type: none"> ➤ Onset / Efficacy Trial Data ➤ Initiate Pivotal Phase 3 in Adolescents and Children | <ul style="list-style-type: none"> ➤ Complete CTx-1301 Pivotal Phase 3 ➤ CTx-1302 IND |

Anxiety

CTx-2103


- | | | |
|---|--|--|
| <ul style="list-style-type: none"> ➤ CTx-2103 Formulations Study Clinical Report | <ul style="list-style-type: none"> ➤ FDA Discussion regarding clinical development plan | <ul style="list-style-type: none"> ➤ CTx-2103 IND |
|---|--|--|

PTR™ Platform

- | | |
|---|--|
| <ul style="list-style-type: none"> ➤ Expand Manufacturing Operations | <ul style="list-style-type: none"> ➤ Out license opportunity for PTR™ Platform <ul style="list-style-type: none"> ➤ Milestones ➤ Royalty ➤ Potential OUS licensing of CTx-1301, CTx-1302, CTx-2103 ➤ Expand CING – BDD Partnership ➤ Expand BD&L Activities w/ PTR™ |
|---|--|

Source: Company reports.

Exhibit 5: ADHD (Attention-Deficit / Hyperactivity Disorder) Market Opportunities




\$18 Billion*


US ADHD Market
Dominated by Stimulants

*Symphony Data. 12-months rolling through Jun 2022

FIRST and ONLY ADHD Medication Designed to Overcome All Unmet Needs

Precision Timed Release™ (PTR™) Platform Unlocks the Possibility for 'True' Once-daily, Multi-dose Tablets





The Cingulate Solution for ADHD Patients & Providers


MASTERY®
 CTx-1301


ACCOMPLISH®
 CTx-1302

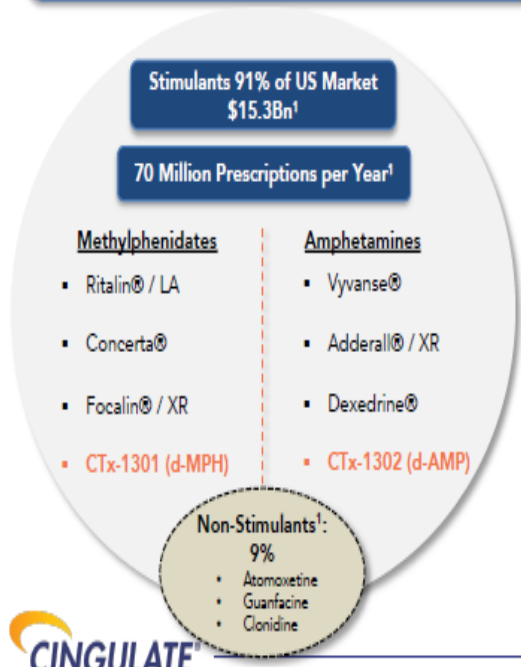
Source: Company reports.

Exhibit 6: ADHD (Attention-Deficit / Hyperactivity Disorder) Market Opportunities

Targeting Treatment of ADHD - \$18Bn US Market Opportunity

Frequently diagnosed, chronic pattern interfering with functioning / development

17 Million US ADHD Patients
11M Adults & 6M Children/Adolescents



Societal Impact of ADHD
Estimated annual incremental costs of \$143 to \$266 billion in the United States
Earn ~ 30% less and 10% less likely to be employed
>40% higher rate of car accidents
2x greater divorce rate
2x greater incidence of accidental death
2x higher incarceration rate



References: <https://www.odc.gov/nbddd/edhd/data.html>
Doshi et al. J Am Acad Child Adolesc Psychiatr. 2012;51(10):990-1002.
Cingulate.com

Source: Company reports.

Exhibit 7: Cingulate's ADHD Drugs Differentiation

CTx-1301 (d-MPH) and CTx-1302 (d-AMP)

Ideal Design Provides Exclusive Ability to Overcome Unmet Needs

CINGULATE	TARGET ATTRIBUTES		RELEASE PROFILES		
	Onset	Duration	DOSE 1 / STYLE / TIME	DOSE 2 / STYLE / TIME	DOSE 3 / STYLE / TIME
CTx-1301 (d-MPH)	30 mins	Up to 16 hours	35% IMMEDIATE RELEASE	45% SUSTAINED RELEASE OVER 90 MINUTES AT HOUR 3	20% IMMEDIATE RELEASE AT HOUR 7
CTx-1302 (d-AMP)	30 mins	Up to 16 hours	45% IMMEDIATE RELEASE	35% SUSTAINED RELEASE OVER 90 MINUTES AT HOUR 3	20% IMMEDIATE RELEASE AT HOUR 7

CINGULATE	TARGET ATTRIBUTES		UNMET NEEDS			
	Onset	Duration	Fast Acting (≤ 30 min)	Entire Active-Day Efficacy	Avoid Crash/Rebound	Avoid Booster
CTx-1301 (d-MPH)	30 mins	Up to 16 hours	✓	✓	✓	✓
CTx-1301 (d-AMP)	30 mins	Up to 16 hours	✓	✓	✓	✓

 6.25-mg
  12.5-mg
  18.75-mg
  25-mg
  31.25-mg
  37.5-mg
  43.75-mg
  50-mg

Nine Significant Points of Differentiation

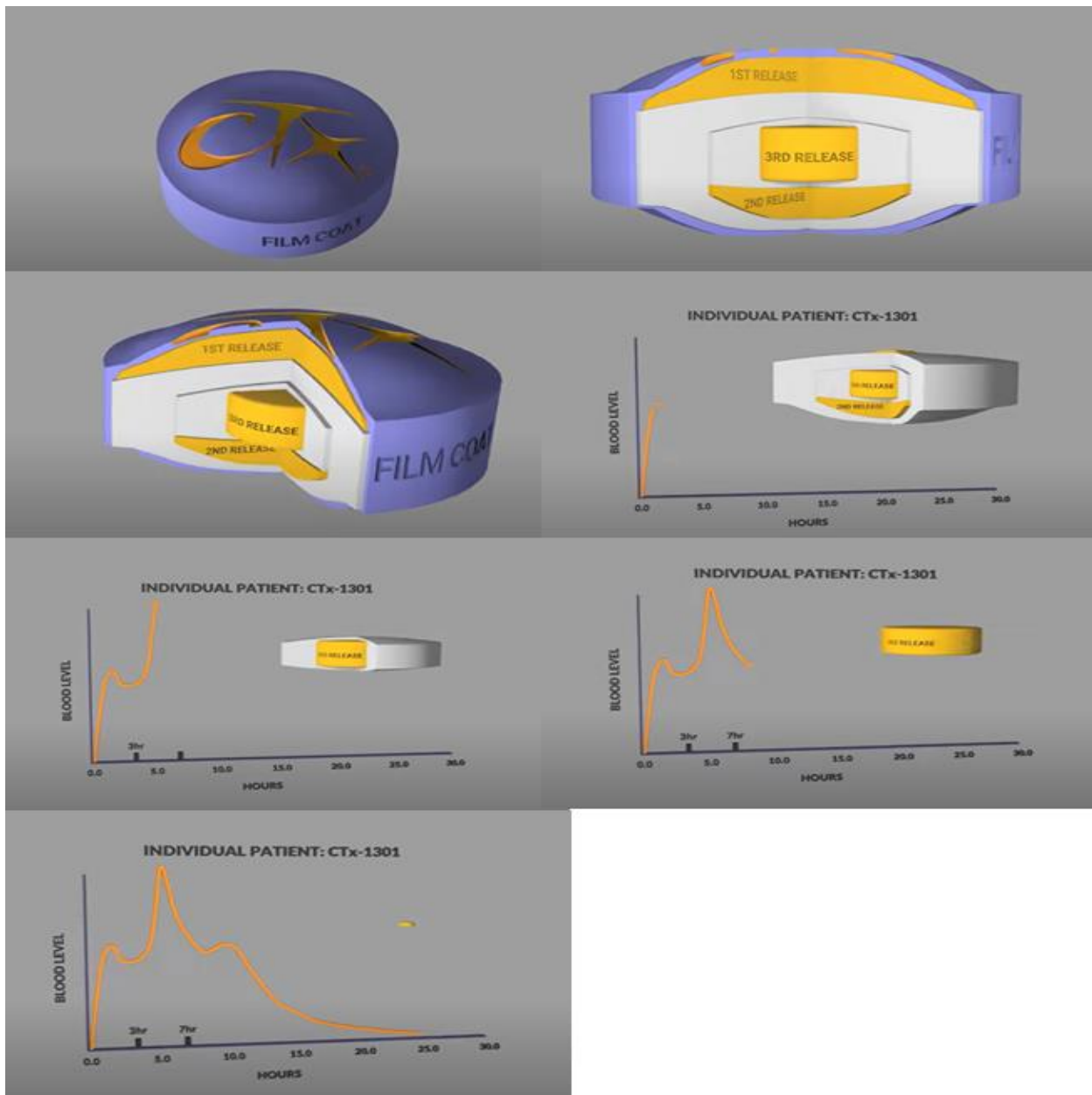
NO ADHD product available today combines all unmet needs

PTR™ technology affords our product candidates the following potential advantages over currently available ADHD treatments

- ✓ Provide 'entire active-day' efficacy
- ✓ Fast onset of action
- ✓ Eliminate need for booster/recovery dose
- ✓ Avoid crash and rebound effect
- ✓ Reduce abuse / diversion by eliminating booster
- ✓ Significantly improved tolerability
- ✓ Lower costs to patients, providers, and payers
- ✓ Ability to optimize with 8 dosage strengths
- ✓ Single-enantiomer API selection

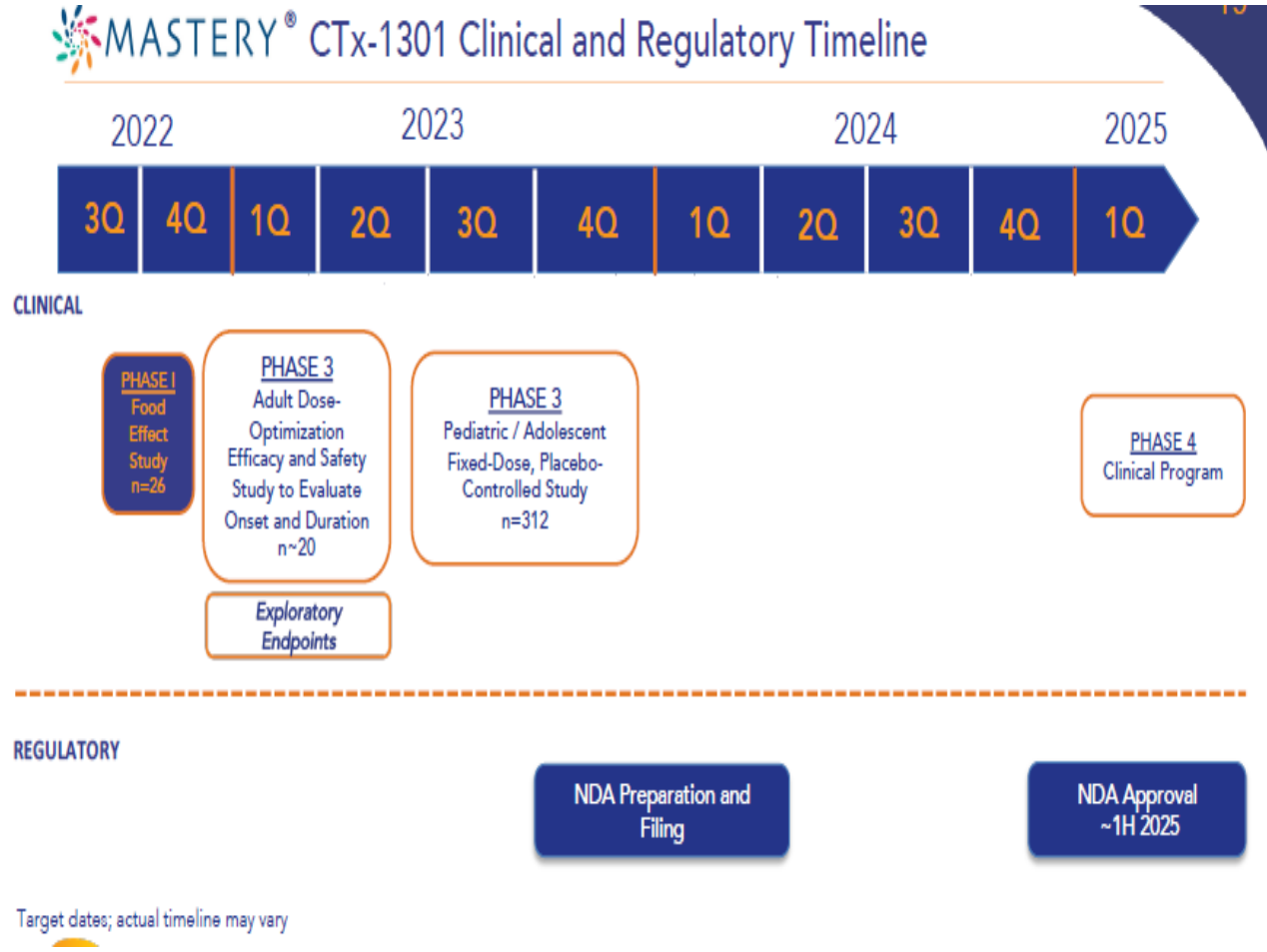
Source: Company reports.

Exhibit 8: Cingulate Precision Timed Release (PTR) Process



Source: Company reports.

Exhibit 9: MASTERY CTx-1301 Timeline



Source: Company reports.

Exhibit 10: Q3 2022 and Recent Business Highlights (as of November 14, 2022)

Nov 14, 2022 Cingulate Inc. Reports Third Quarter 2022 Financial Results and Provides Clinical and Business Update

Phase 3 Trial Initiation for Lead ADHD Candidate CTx-1301 in December 2022

Executed Manufacturing Agreement with Societal CDMO

2022 Psych Congress Presentation Demonstrated Ability of Anxiety Candidate CTx-2103 to Deliver a Single Administration of Triple-Release Buspirone

Source: Company reports.

Exhibit 11: Cingulate Inc. Stock Price (1-Year since IPO in December 2021)



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

Exhibit 12: Consensus Expectations (as of November 14, 2022)

	Revenue (mil)			EPS	
	2022E	2023E		2022E	2023E
Q1 Mar	\$0.0A		Q1 Mar	\$(0.44)A	
Q2 Jun	\$0.0A		Q2 Jun	\$(0.36)A	
Q3 Sep	\$0.0E		Q3 Sep	\$(0.37)E	
Q4 Dec	\$0.0E		Q4 Dec	\$(0.35)E	
Total	\$0.0E	\$0.0E	Total	\$(1.51)E	\$(1.45)E

*Quarterly estimates may not add to annual estimates due to variations in contributing estimates and rounding.

Source: Company report, Refinitiv, and Ascendant Capital Markets estimates

FINANCIAL MODEL

Cingulate Inc.

Income Statement (\$ mils)	2019	2020	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	
Fiscal Year End: December 31	FY-A	FY-A	Q1A	Q2A	Q3A		FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Total Revenue	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
<u>Cost of Revenues</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>		<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Gross Profit	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
Research & development	9.1	5.1	0.6	0.8	5.8		8.4	2.8	2.2	2.1	3.0	10.1	3.0	3.0	3.2	3.2	12.4	
General and administrative	2.6	2.0	0.8	0.6	9.5		12.3	2.2	1.9	1.8	2.0	8.0	2.1	2.1	2.1	2.1	8.4	
<u>Restructuring and other</u>												<u>0.0</u>					<u>0.0</u>	
Total operating expenses	11.6	7.1	1.3	1.4	15.3		20.7	5.0	4.0	4.0	5.0	18.0	5.1	5.1	5.3	5.3	20.8	
Operating income (loss)	(11.6)	(7.1)	(1.3)	(1.4)	(15.3)		(20.7)	(5.0)	(4.0)	(4.0)	(5.0)	(18.0)	(5.1)	(5.1)	(5.3)	(5.3)	(20.8)	
Interest income (expense)	0.1	(0.1)	(0.0)	(0.0)	(0.0)		(0.0)	0.0	0.0	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.8)	
<u>Other income (expense)</u>											<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
Income before income taxes	(11.5)	(7.2)	(1.3)	(1.4)	(15.3)		(20.7)	(5.0)	(4.0)	(4.0)	(5.2)	(18.3)	(5.3)	(5.3)	(5.5)	(5.5)	(21.6)	
<u>Income taxes</u>							<u>0.0</u>				<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
Net income (loss)	(11.5)	(7.2)	(1.3)	(1.4)	(15.3)		(20.7)	(5.0)	(4.0)	(4.0)	(5.2)	(18.3)	(5.3)	(5.3)	(5.5)	(5.5)	(21.6)	
<u>Nonrecurring/noncash adjustments</u>							<u>0.0</u>					<u>0.0</u>					<u>0.0</u>	
Net income (pro forma)	(11.5)	(7.2)	(1.3)	(1.4)	(15.3)		(20.7)	(5.0)	(4.0)	(4.0)	(5.2)	(18.3)	(5.3)	(5.3)	(5.5)	(5.5)	(21.6)	
EBITDA																		
Shares, Basic							7.4	11.3	11.3	11.3	11.5	11.4	11.6	11.7	11.8	11.9	11.8	
Shares, Diluted							7.4	11.3	11.3	11.3	11.5	11.4	11.6	11.7	11.8	11.9	11.8	
EPS Basic (pro forma)							(\$2.79)	(\$0.44)	(\$0.36)	(\$0.36)	(\$0.45)	(\$1.61)	(\$0.46)	(\$0.45)	(\$0.47)	(\$0.46)	(\$1.83)	
EPS Diluted (pro forma)							(\$2.79)	(\$0.44)	(\$0.36)	(\$0.36)	(\$0.45)	(\$1.61)	(\$0.46)	(\$0.45)	(\$0.47)	(\$0.46)	(\$1.83)	
Margins																		
Gross margin																		
Research & development																		
General and administrative																		
Operating margin																		
Tax rate, GAAP																		
Net margin																		
YY % change																		
Total Revenue																		
Gross margin																		
Research & development		-44%					65%	391%				20%	9%	38%	51%	7%	23%	
General and administrative		-22%					517%	193%				-35%	-7%	12%	14%	5%	5%	
Operating income (loss)		-39%					192%	277%				-13%	2%	26%	34%	6%	15%	
Net income (loss)		-38%					188%	275%				-12%	6%	31%	36%	6%	18%	
EPS Diluted (pro forma)		#DIV/0!					#DIV/0!	#DIV/0!				-42%	3%	26%	31%	2%	14%	

Source: Company reports and Ascendant Capital Markets estimates.

Cingulate Inc.

Balance Sheet (\$ mils)	Dec-19	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
Fiscal Year End: December 31	Q4A	Q4A			Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
Assets														
Cash and cash equivalents	0.4	1.2			1.9	16.5	12.6	8.2	9.8	4.9	0.6	(4.4)	(9.6)	(14.7)
Short term investments	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0	0.0	0.0
Deferred income taxes										0.0	0.0	0.0	0.0	0.0
<u>Prepaid expenses and other</u>	<u>0.5</u>	<u>0.6</u>			<u>3.6</u>	<u>2.4</u>	<u>2.0</u>	<u>1.9</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
Total current assets	1.0	1.8			5.6	18.9	14.6	10.1	11.8	7.0	2.7	(2.3)	(7.5)	(12.7)
Property and equipment, net	3.0	3.0			2.6	3.1	3.1	3.0	2.9	2.8	2.7	2.6	2.5	2.4
Intangibles, net										0.0	0.0	0.0	0.0	0.0
Deferred income tax										0.0	0.0	0.0	0.0	0.0
<u>Other</u>	<u>1.3</u>	<u>1.0</u>			<u>0.9</u>	<u>0.9</u>	<u>0.8</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total assets	5.3	5.8			9.1	22.9	18.4	13.8	15.4	10.4	5.3	0.2	(5.1)	(10.3)
Liabilities and stockholders' equity														
Accounts payable	1.9	1.0			0.9	0.3	0.6	0.3	0.4	0.4	0.4	0.4	0.4	0.4
Accrued expenses	0.9	1.7			3.5	0.6	0.8	0.3	0.7	0.7	0.7	0.7	0.7	0.7
Deferred income tax										0.0	0.0	0.0	0.0	0.0
Warrant liabilities										0.0	0.0	0.0	0.0	0.0
Other	0.2	0.2			0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
<u>Short term debt</u>		<u>0.5</u>			<u>0.4</u>				<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>
Total current liabilities	3.0	3.4			5.1	1.2	1.6	0.9	6.4	6.4	6.4	6.4	6.4	6.4
Deferred income taxes										0.0	0.0	0.0	0.0	0.0
Warrant liabilities										0.0	0.0	0.0	0.0	0.0
Other long term liabilities	1.7	1.1			0.9	0.9	0.8	0.7	0.6	0.6	0.6	0.6	0.6	0.6
<u>Long term debt</u>										<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total other liabilities	1.7	1.1			0.9	0.9	0.8	0.7	0.6	0.6	0.6	0.6	0.6	0.6
Common stock	0.6	32.3			0.0	0.0	0.0	0.0	0.0	0.2	0.4	0.6	0.8	1.0
Additional paid-in capital					52.2	72.6	72.8	73.0	73.2	73.2	73.2	73.2	73.2	73.2
Retained earnings		(31.0)			(49.1)	(51.7)	(56.7)	(60.8)	(64.8)	(70.0)	(75.3)	(80.6)	(86.1)	(91.5)
Other										0.0	0.0	0.0	0.0	0.0
<u>Accumulated other comprehensive income</u>		<u>0.0</u>				<u>0.0</u>	<u>(0.0)</u>	<u>(0.0)</u>		<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total stockholders' equity	0.6	1.3			3.1	20.8	16.0	12.2	8.4	3.4	(1.7)	(6.8)	(12.1)	(17.3)
Total stockholders' equity and liabil	5.3	5.8			9.1	22.9	18.4	13.8	15.4	10.4	5.3	0.2	(5.1)	(10.3)

Balance Sheet Drivers

			Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
			Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
Book & Cash Value (per share)											
Book Value per Share (diluted)			\$2.81	\$1.42	\$1.08	\$0.74	\$0.29	(\$0.15)	(\$0.58)	(\$1.02)	(\$1.46)
Cash per Share (diluted)			\$2.22	\$1.12	\$0.72	\$0.87	\$0.43	\$0.05	(\$0.37)	(\$0.81)	(\$1.24)
Net cash per Share (diluted)			\$2.22	\$1.12	\$0.72	\$0.42	(\$0.01)	(\$0.38)	(\$0.80)	(\$1.23)	(\$1.66)

Source: Company reports and Ascendant Capital Markets estimates

Cingulate Inc.

Cash Flow Statement (\$ mils)	2019	2020	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023
Fiscal Year End: December 31	FY-A	FY-A	Q1A	Q2A	Q3A		FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Cash flow from operating activities																	
Net income	(11.5)	(7.2)	(1.3)	(1.4)	(15.3)		(20.7)	(5.0)	(4.0)	(4.0)	(5.2)	(18.3)	(5.3)	(5.3)	(5.5)	(5.5)	(21.6)
Depreciation	0.2	0.7	0.2	0.2	0.2		0.7	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.1	0.1	0.4
Amortization												0.0					0.0
Debt related amortization expense												0.0					0.0
Stock comp					12.7		0.0	0.2	0.2	0.2	0.2	0.8	0.2	0.2	0.2	0.2	0.8
Deferred income taxes											0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in fair value of warrant liability												0.0					0.0
Writedowns and impairments												0.0					0.0
Other gains/losses												0.0					0.0
Other	(0.0)						12.7	(0.0)	0.0			0.0					0.0
Changes in operating assets and liabilities:																	
Accounts receivable	(0.1)	(0.0)	(0.1)	(0.1)	(0.1)		(0.5)	0.0	0.5	0.1		0.6					0.0
Prepaid expenses & other current assets	0.2	(0.0)	(0.2)	(1.0)	(1.7)		(1.3)	0.4	(0.5)	(0.2)		(0.3)					0.0
Income tax												0.0					0.0
Other assets	0.8	0.3	(0.0)	0.0	0.0		0.1	0.1	0.1	0.1	0.0	0.2	0.7	0.0	0.0	0.0	0.7
Accounts payable	1.7	(0.4)	(0.3)	0.8	1.5		(1.3)	0.4	(0.7)	0.5		0.2					0.0
Accrued expenses							0.1					0.0					0.0
Other liabilities	(0.7)	(0.1)	0.0	(0.1)	(0.1)		(0.3)	(0.1)	(0.1)	(0.1)	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0
Net cash (used in) provided by	(9.5)	(6.8)	(1.7)	(1.6)	(2.6)		(10.4)	(3.9)	(4.4)	(3.4)	(4.9)	(16.6)	(4.3)	(5.0)	(5.2)	(5.2)	(19.6)
Cash flow from investing activities																	
Purchases of property and equipment	(1.0)	(0.4)	(0.1)	(0.0)	(0.0)		(0.8)	(0.0)			0.0	(0.0)	0.0	0.0	(0.0)	0.0	(0.0)
Purchases of short-term investments	3.8	0.0							0.0			0.0					0.0
Acquisitions												0.0					0.0
Other									(0.0)	0.0		(0.0)					0.0
Net cash used in investing activities	2.7	(0.4)	(0.1)	(0.0)	(0.0)		(0.8)	(0.0)	(0.0)	0.0	0.0	(0.0)	0.0	0.0	(0.0)	0.0	(0.0)
Cash flow from financing activities																	
Issuance of debt		1.0	0.1	(0.1)						5.0	0.0	5.0	0.0	0.0	0.0	0.0	0.0
Repayment of debt		(0.5)	(0.1)	(0.1)	(0.3)		(0.9)	(0.0)	(0.0)	(0.0)		(0.0)					0.0
Issuance of stock	6.1	7.5	1.4	2.0	3.7		27.5				0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from stock option exercises												0.0					0.0
Other												0.0					0.0
Dividends and distributions												0.0					0.0
Cash provided by (used in) financing activities	6.1	8.0	1.4	1.8	3.5		26.5	(0.0)	(0.0)	5.0	0.0	5.0	0.0	0.0	0.0	0.0	0.0
Effect of exchange rate on cash	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0					0.0
Net increase (decrease) in cash and equivalents	(0.6)	0.8	(0.4)	0.2	0.9		15.3	(3.9)	(4.4)	1.6	(4.9)	(11.6)	(4.3)	(5.0)	(5.2)	(5.2)	(19.6)
Beginning cash and equivalents	1.1	0.4	1.2	0.8	1.0		1.2	16.5	12.6	8.2	9.8	16.5	4.9	0.6	(4.4)	(9.6)	4.9
Ending cash and equivalents	0.4	1.2	0.8	1.0	1.9		16.5	12.6	8.2	9.8	4.9	4.9	0.6	(4.4)	(9.6)	(14.7)	(14.7)

Source: Company reports and Ascendant Capital Markets estimates

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Cingulate Inc.

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Total return is defined as price appreciation plus dividend yield.

Ascendant Capital Markets, LLC Rating System

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Total return is defined as price appreciation plus dividend yield.

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Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
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Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	44	100%	17	39%

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