

60 Degrees Pharmaceuticals, Inc.

Q2 FY24 impacted by non-cash charge. Babesiosis trial on track, with timeline somewhat extended. Re-setting PT to \$5.50.

COMPANY UPDATE

Rating: BUY

Ticker: SXTP

Price: \$1.56

Target: \$5.50

Q1 EPS impacted by non-cash R&D charge: On August 14, SXTP reported Q2 FY24 results (ending June). Revenues were \$125,000, up sequentially and yoy, but a bit below our estimate of \$170,000. Pro-forma EPS was \$(4.24), including a non-cash R&D charge of \$2.6 million for prepaid research conducted by the University of Kentucky. Our estimate was \$(1.65). No guidance was provided. All numbers have been adjusted for 1:12 reverse stock split on August 6.

Orphan Drug designation granted for Tafenoquine for Babesiosis: On June 11, SXTP announced it was granted Orphan Drug Designation for Tafenoquine for treatment of patients with acute Babesiosis. FDA orphan drug designation is granted for therapeutic candidates that may prevent or treat a rare disease or condition. The designation confers a number of advantages, including savings on filing fees, a faster review timeline, up to 7 years of market exclusivity, and potentially advantageous pricing in a managed care setting.

Babesiosis trial proceeding apace: On July 22, SXTP announced it has signed clinical trial agreements with Yale, Tufts, and Rhode Island Hospital to carry out the study of Tafenoquine to treat Babesiosis. The trial is expected to recruit between 24 to 33 patients before an interim analysis is conducted, with sufficient enrollment capacity planned to ensure all subjects are recruited before the end of the 2025 tick season. If all goes well, the company will file an NDA by Q2 of FY26. This represents an extended timeline, relative to the company's previous plan. In related news, the company announced IRB approval for a clinical study of Tafenoquine for Babesiosis in immunocompromised patients with persistent Babesia microti. The goal of the study is to confirm findings of a Yale study which showed an 80% cure rate in immunocompromised patients given weekly doses of Tafenoquine.

Raising estimates on higher share count: We are raising our FY24 EPS estimate to \$(6.41) from \$(6.51) and raising our FY25 EPS estimate to \$(3.01) from \$(4.18), on higher share count. Consensus estimates are \$(6.48) and \$(4.20) for FY24 and FY25, respectively. Our revenue estimates are unchanged at \$0.8 million and \$2.1 million for FY24 and FY25, respectively.

SXTP provides University of Kentucky right of reference to ARAKODA NDA in support of SJ733 phase IIb study: On Aug 12, SXTP announced that it granted the University of Kentucky a right of reference to the company's new drug application for ARAKODA. The right of reference will allow the FDA to review clinical efficacy and safety data, non-clinical data, chemistry, manufacturing and control information on ARAKODA as the agency reviews protocols and new IND application submissions related to the University of Kentucky's investigational SJ733 Phase IIb program. The Phase IIb study being conducted by the University of Kentucky and Eisai will combine SJ733 with Tafenoquine. The indication is targeted at Vivax Malaria, as this strain is resistant to Chloroquine in some parts of the world.

Balance sheet solid: The company exited June with \$1.6 million of cash on the balance sheet, and subsequently raised an additional \$2M in an ATM offering. With cash burn in the range of \$1-1.3 million per quarter, we estimate SXTP will likely need to raise money again by Q1 of FY25.

Re-setting 12-month price target to \$5.50: We are resetting our price target to \$5.50, post-split, due to dilution and lower net income estimates. This is based on a NPV analysis, representing 3.2x upside from the current share price. We believe this valuation appropriately balances out the company's high risks with the company's high growth prospects and large upside opportunities.

Company Description

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

Stock Data

Exchange:	NasdaqCM
52-week Range:	\$1.03-19.80
Shares Outstanding (million):	1.8
Market cap (\$million):	\$2.7
EV (\$million):	\$1.2
Debt (\$million):	\$0.1
Cash (\$million):	\$1.6
Avg. Daily Trading Vol (\$ millions):	\$1.1
Float (million shares):	0.75
Short Interest (million shares):	0.04
Dividend, annual (yield):	NA

Revenues (US\$ million)

	2024E (Cur.)	2024E (Old.)	2025E (Cur.)	2025E (Old.)
Q1 Mar	0.1A		0.3E	
Q2 Jun	0.1A	0.2E	0.4E	
Q3 Sep	0.2E		0.6E	
Q4 Dec	0.3E		0.8E	
Total	0.8E		2.1E	
EV/Rev	1.5x		0.6x	

Earnings per Share (pro forma)

	2024E (Cur.)	2024E (Old.)	2025E (Cur.)	2025E (Old.)
Q1 Mar	(1.72)A		(0.84)E	(1.29)E
Q2 Jun	(4.24)A	(1.65)E	(0.80)E	(1.10)E
Q3 Sep	(0.81)E	(1.70)E	(0.74)E	(0.89)E
Q4 Dec	(0.81)E	(1.44)E	(0.63)E	(0.89)E
Total	\$(6.41)E	\$(6.51)E	\$(3.01)E	\$(4.18)E
PE	NA		NA	

* Reflects a 1:12 reverse stock split in August 2024

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 11.

Exhibit 1: 60 Degrees Pharmaceuticals Investment Highlights

Investment Highlights

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

Source: Company Reports

Exhibit 2: Overview of ARAKODA

Overview

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

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

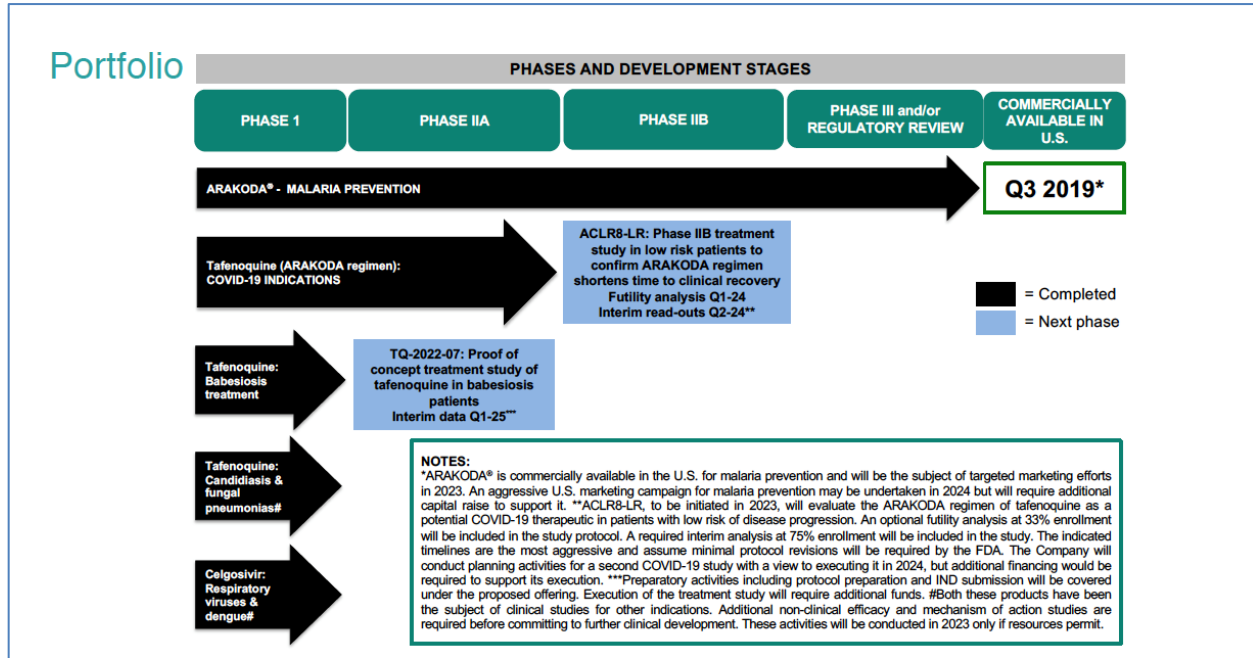
In 2018, 60 Degrees Pharmaceuticals was awarded U.S. regulatory approval of ARAKODA® (tafenoquine), a malaria preventative treatment.

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



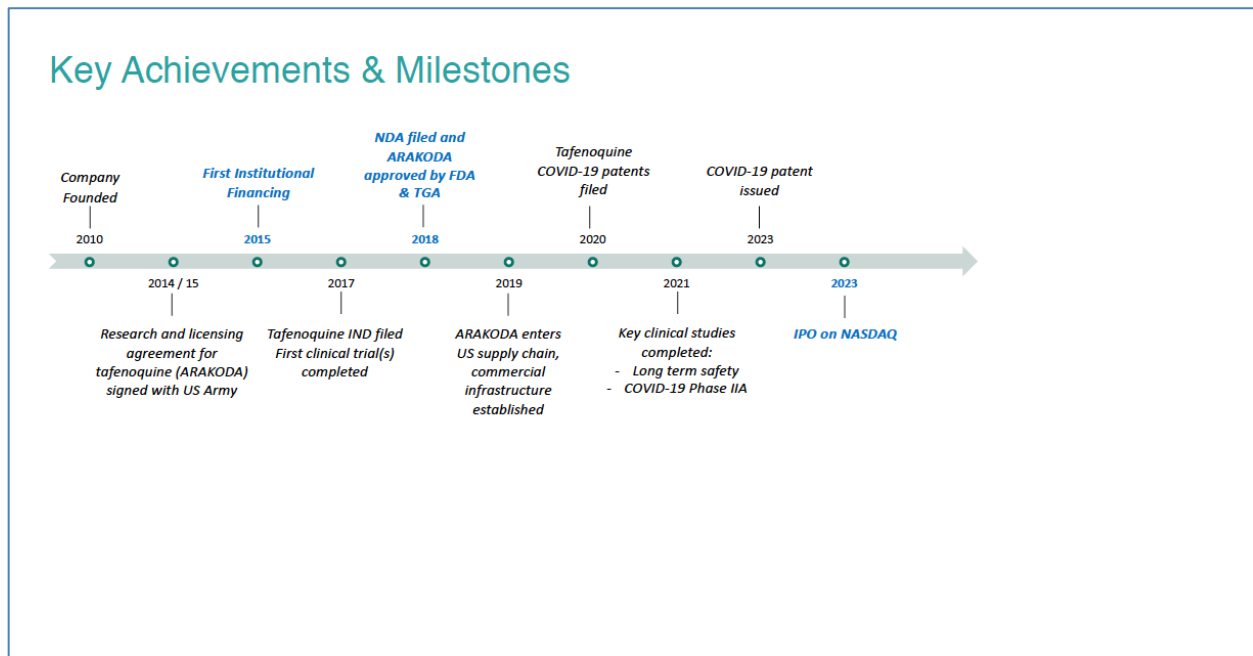
Source: Company Reports

Exhibit 3: 60 Degrees Pharmaceuticals Product Portfolio



Source: Company Reports

Exhibit 4: 60 Degrees Pharmaceuticals Key Milestones



Source: Company Reports

Exhibit 5: 60 Degrees Pharmaceuticals Supply Chain



Source: Company Reports

Exhibit 6: 60 Degrees Pharmaceuticals Intellectual Property

Intellectual Property & Licensing

60 Degrees Pharmaceuticals has freedom to operate

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

Existing License & Distribution Agreements [Malaria]

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

Source: Company Reports

Exhibit 7: 60 Degrees Pharmaceuticals Officers and Directors

Officers & Directors



Geoffrey Dow MBA PHD, CEO & Chairman

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



Ty Miller, CFO

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



Bryan Smith MD, Chief Medical Officer

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



Jenny Herz, Director of 60P Australia since 2013

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



Cheryl Xu, Director

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



Stephen Toovey MD, PHD Director

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



Paul Field, Director

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



Charles Allen, Director

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

Source: Company Reports

Exhibit 8: ARAKODA Product Factsheet

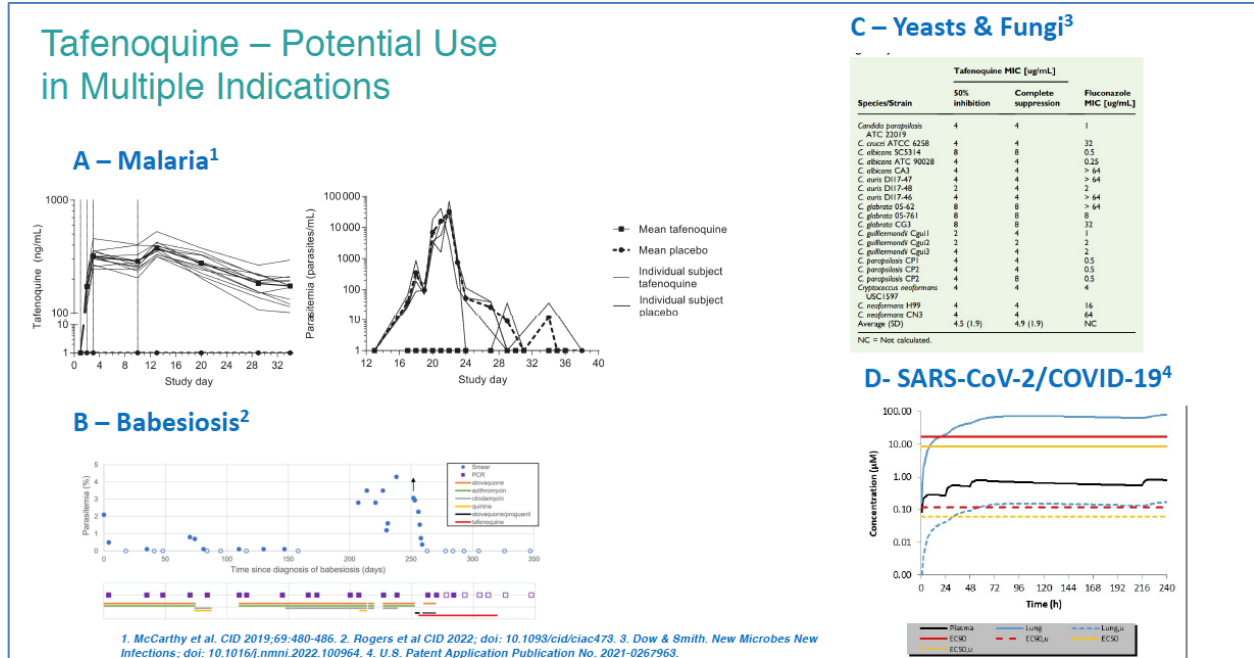
About ARAKODA® [tafenoquine succinate]

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



Source: Company Reports

Exhibit 9: Tafenoquine Use in Multiple Indications



Source: Company Reports

Exhibit 10: SXTP Consensus Expectations

8/19/24

	Revenue (\$ million)		EPS		
	FY2024E	FY2025E	FY2024E	FY2025E	
Q1 Mar	\$0.1A	0.3E	Q1 Mar	\$(1.58)A	\$(1.32)E
Q2 Jun	\$0.1A	0.4E	Q2 Jun	\$(4.11)A	\$(1.08)E
Q3 Sep	\$0.3E	0.6E	Q3 Sep	\$(1.68)E	\$(0.84)E
Q4 Dec	\$0.5E	0.8E	Q4 Dec	\$(1.44)E	\$(0.84)E
Total	\$1.0E	\$2.6E	Total	\$(6.48)E	\$(4.20)E

Source: Company reports, CapitalIQ, Ascendant Capital Markets Estimates

Exhibit 11: 60 Degrees Pharmaceuticals, Inc. Daily Stock Price Since IPO (July 2023)



* Reflects a 1:12 reverse stock split in August 2024

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

FINANCIAL MODEL

60 Degrees Pharmaceuticals, Inc.

Cash Flow Statement (\$ mils)	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025
Fiscal Year End: December 31	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Net Income	(6.2)	(2.6)	(3.3)	4.2	(2.0)	(3.8)	0.43	(4.17)	(1.4)	(1.4)	(6.6)	(1.5)	(1.4)	(1.3)	(1.1)	(5.3)
<u>Adjustments to Net Income</u>																
Depreciation	0.0		0.0	0.0	0.0	0.0	0.00	0.00			0.0					0.0
Amortization	0.0	0.3	0.6	(0.9)	0.0	0.0	0.01	0.01			0.0					0.0
Amortization of Debt Discount	1.1	0.3		0.3	0.0	0.7	0.00	0.00			0.0					0.0
Amortization of ROU Asset	0.0	0.0		0.0	0.0	0.1	0.01	0.00			0.0					0.0
Amortization of Note Issuance Costs	0.1	0.0		0.0	0.0	0.1	0.00	0.00			0.0					0.0
Amortization of Capitalized Services				0.7	0.3	1.0	0.13	2.75			2.9					0.0
Stock-based Compensation to Vendors for services				0.7	(0.5)	0.2	0.00	0.00			0.0					0.0
Stock-based Compensation under 2022 Equity Incentive Plan					0.5289	0.5	0.00	0.00			0.0					0.0
Deemed Capital Contribution for Related Party Compensation Expense					0.2	0.2	0.00	0.00			0.0					0.0
Gain on Debt Extinguishment	(0.1)			1.2	0.0	1.2	0.00	0.00			0.0					0.0
Change in Fair Value of Derivative Liabil	0.0			(0.1)	0.1	0.0	(1.74)	0.00			(1.7)					0.0
Writeoffs of Capitalized Patents							0.01	0.00			0.0					0.0
Derivative Expense	0.5			0.4	0.0	0.4	0.00	0.00			0.0					0.0
Change in Fair Value of Promissory Note				(5.4)	0.0	(5.4)	0.00	0.00			0.0					0.0
Inventory Reserve	0.2			(0.1)	(0.0)	(0.2)	0.00	0.00			0.0					0.0
<u>Changes in Operating Assets and Liabilities</u>																
Change in Acc. Receivable	0.1	(0.0)	(0.0)	(0.8)	0.7	(0.2)	(0.08)	0.02	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0
Prepaid and Other	0.0	0.0		(1.5)	1.0	(0.5)	0.06	0.09			0.2					0.0
Change In Inventories	(0.1)	(0.1)	0.1	0.1	0.2	0.2	0.03	0.01	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in Inventory Reserves					(0.0)		0.00	0.00			0.0					0.0
Change in Acc. Payable	0.2	0.1	0.2	(0.8)	0.3	(0.2)	0.02	0.10	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Accrued Interest	2.7	0.8		0.5	(0.0)	1.3	(0.00)	(0.00)			(0.0)					0.0
Reduction of Lease Liability	(0.0)	(0.0)		(0.0)	(0.0)	(0.1)	(0.01)	0.00			(0.0)					0.0
Deferred Compensation	0.4		0.6	(0.7)	0.0	(0.1)					0.0					0.0
Stock based Compensation		0.2	0.1	(0.3)	0.0	0.0					0.0					0.0
Gain on Debt Extinguishment		0.8									0.0					0.0
Change in Fair Value of Derivatives Liability		0.0									0.0					0.0
Change in Fair Value of Promissory Notes		(0.3)									0.0					0.0
Other Operating Activities			1.5	(1.2)	0.0	0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash used in operating activities	(1.0)	(0.4)	(0.3)	(3.7)	0.8	(4.5)	(1.14)	(1.19)	(1.4)	(1.4)	(5.2)	(1.5)	(1.4)	(1.3)	(1.1)	(5.3)
Capitalization of Patents	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.00)	(0.03)			(0.0)					0.0
Purchase of PP&E				(0.0)	(0.1)	(0.1)	0.00	(0.09)			(0.1)					0.0
Sale (Purchase) of Intangible assets	(0.0)			(0.0)	0.0	(0.0)	(0.01)	(0.01)			(0.0)					0.0
Net cash used in investing activities	(0.1)	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.01)	(0.13)	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0
Proceeds from Stock Offering				6.5	0.0	6.5	1.91	0.00	2.0	0.0	3.9	0.0	0.0	0.0	0.0	0.0
Payment of Deferred Offering Costs	(0.1)	(0.0)	(0.1)	(0.0)	(0.0)	(0.2)	(0.02)	0.00			(0.0)					0.0
Payment of Deferred Offering Costs for Proposed Offering								(0.01)			(0.0)					0.0
Proceeds from Exercise of Warrants				1.1	0.0	1.1	0.00	0.00			0.0					0.0
Proceeds from Notes Payable	0.8			0.7	0.0	0.7					0.0					0.0
Repayment of Notes Payable				(1.6)	0.0	(1.6)					0.0					0.0
Proceeds from Notes Payable - Related Parties	0.3	0.2	0.7	(0.9)	0.0	0.0					0.0					0.0
Repayments on Notes Payable - Related Parties			(0.3)		0.0	(0.3)					0.0					0.0
Proceeds from Advances - Related Party	0.2			0.3	0.0	0.3					0.0					0.0
Net cash provided by financing activities	1.2	0.2	0.3	6.0	(0.0)	6.5	1.90	(0.00)	2.0	0.0	3.9	0.0	0.0	0.0	0.0	0.0
Foreign Exchange Rate Adj.	(0.0)	(0.0)	(0.0)	0.0	0.1	0.1	(0.00)	0.00								
Net Change in Cash	0.1	(0.2)	(0.0)	2.2	(0.1)	1.9	0.75	(1.32)	0.6	(1.4)	(1.4)	(1.5)	(1.4)	(1.3)	(1.1)	(5.3)
Cash balance at beginning of period	0.1	0.3	0.0	0.0	2.2	0.3	2.14	2.89	1.6	2.1	2.1	0.7	(0.8)	(2.2)	(3.5)	0.7
Cash balance at end of period	0.3	0.0	0.0	2.2	2.1	2.1	2.89	1.58	2.1	0.7	0.7	(0.8)	(2.2)	(3.5)	(4.6)	(4.6)

Source: Company reports, Ascendant Capital Markets estimates

* Reflects a 1:12 reverse stock split in August 2024

60 Degrees Pharmaceuticals, Inc.

Balance Sheet (\$ mils)	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Fiscal Year End: December 31	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Current Assets													
Cash And Equivalents	0.3	0.0	0.0	2.2	2.1	2.9	1.6	2.1	0.7	(0.8)	(2.2)	(3.5)	(4.6)
Accounts Receivable	0.0	0.1	0.1	0.1	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Prepaid Exp.	0.2	6.5	6.3	5.9	4.4	4.3	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Deferred Offering Costs	0.1	0.1	0.2		0.0		0.0						
Inventory	0.5	0.6	0.5	0.6	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total Current Assets	1.1	7.3	7.1	8.9	7.2	7.9	3.8	4.3	2.9	1.4	(0.0)	(1.3)	(2.4)
Property, Plant & Equipment, net	0.0	0.1	0.0	0.0	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Right of Use Asset	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Intangible Assets	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Other Long-Term Assets					0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Total Assets	1.3	7.6	7.4	9.2	7.8	8.4	4.3	4.9	3.4	1.9	0.5	(0.8)	(1.9)
LIABILITIES													
Accounts Payable	0.8	0.8	1.1	0.3	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Lease Liability	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Compensation	0.3		0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Related Party Notes	0.2	0.5	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debtenture	4.3			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SBA EIDL	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Promissory Notes at Fair Value	16.9	22.6	23.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Promissory Notes			1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Derivative Liabilities	1.1		2.1	2.2	2.3	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Derivative Liabilities - Related Parties	0.4		0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Current Liabilities		1.5											
Short-term Borrowings	0.2	0.5	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Curr. Port. of LT Debt	21.1	22.6	24.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Current Liabilities	23.9	25.5	28.9	2.5	2.8	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Deferred Compensation	0.3	0.3		0.0	0.0								
Long-Term Leases				0.0	0.0								
Debtenture				0.0	0.0								
Related Party Note				0.0	0.0								
SBA EIDL	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Promissory Notes	1.1	1.2	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Long-Term Debt	1.3	1.3	1.4	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Liabilities	25.4	27.1	30.2	2.6	3.0	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Members' Capital		0.0	0.0	0.0	0.0								
Preferred Stock				9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.9
Common Stock	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	5.2	12.4	12.4	27.2	27.5	29.4	29.4	31.4	31.4	31.4	31.4	31.4	31.4
Accumulated Other Comprehensive In	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Retained Earnings	(28.8)	(31.4)	(34.8)	(30.6)	(32.6)	(32.2)	(36.3)	(37.8)	(39.2)	(40.7)	(42.1)	(43.4)	(44.5)
Total Common Equity	(23.6)	(19.0)	(22.3)	6.6	4.9	7.2	3.0	3.6	2.2	0.7	(0.7)	(2.1)	(3.2)
Minority Interest	(0.6)	(0.6)	(0.6)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Total Equity	(24.1)	(19.5)	(22.9)	6.5	4.8	7.1	3.0	3.5	2.1	0.6	(0.8)	(2.1)	(3.2)
Total Liabilities And Equity	1.3	7.6	7.4	9.2	7.8	8.4	4.3	4.9	3.4	2.0	0.5	(0.8)	(1.9)

	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Balance Sheet Drivers													
Accounts Receivable (Days)	(53)	347	180	98	488	195	212	121	99	83	67	44	33
Inventory (Days)	(601)	2610	669	425	982	268	305	174	142	120	96	64	48
Accounts Payable (Days)	549	1029	518	343	311	728	647	386	290	193	193	145	145
Book & Cash Value (per share)													
Book Value per Share (diluted)	(121.13)	(101.73)	(115.44)	14.70	9.86	8.45	2.92	1.99	1.18	0.33	(0.47)	(1.21)	(1.83)
Cash per Share (diluted)	1.33	0.16	0.10	5.00	4.40	3.43	1.55	1.21	0.39	(0.45)	(1.25)	(1.99)	(2.62)
Net cash per Share (diluted)	(112.03)	(127.12)	(133.11)	4.66	4.09	3.25	1.41	1.12	0.31	(0.53)	(1.33)	(2.07)	(2.70)

Source: Company reports, Ascendant Capital Markets estimates

60 Degrees Pharmaceuticals, Inc.

Cash Flow Statement (\$ mils)	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025
Fiscal Year End: December 31	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Net Income	(6.2)	(2.6)	(3.3)	4.2	(2.0)	(3.8)	0.43	(4.17)	(1.4)	(1.4)	(6.6)	(1.5)	(1.4)	(1.3)	(1.1)	(5.3)
<u>Adjustments to Net Income</u>																
Depreciation	0.0		0.0	0.0	0.0	0.0	0.00	0.00			0.0					0.0
Amortization	0.0	0.3	0.6	(0.9)	0.0	0.0	0.01	0.01			0.0					0.0
Amortization of Debt Discount	1.1	0.3		0.3	0.0	0.7	0.00	0.00			0.0					0.0
Amortization of ROU Asset	0.0	0.0		0.0	0.0	0.1	0.01	0.00			0.0					0.0
Amortization of Note Issuance Costs	0.1	0.0		0.0	0.0	0.1	0.00	0.00			0.0					0.0
Amortization of Capitalized Services				0.7	0.3	1.0	0.13	2.75			2.9					0.0
Stock-based Compensation to Vendors for services				0.7	(0.5)	0.2	0.00	0.00			0.0					0.0
Stock-based Compensation under 2022 Equity Incentive Plan					0.5289	0.5	0.00	0.00			0.0					0.0
Deemed Capital Contribution for Related Party Compensation Expense						0.2	0.00	0.00			0.0					0.0
Gain on Debt Extinguishment	(0.1)			1.2	0.0	1.2	0.00	0.00			0.0					0.0
Change in Fair Value of Derivative Liability	0.0			(0.1)	0.1	0.0	(1.74)	0.00			(1.7)					0.0
Writeoffs of Capitalized Patents							0.01	0.00			0.0					0.0
Derivative Expense	0.5			0.4	0.0	0.4	0.00	0.00			0.0					0.0
Change in Fair Value of Promissory Note				(5.4)	0.0	(5.4)	0.00	0.00			0.0					0.0
Inventory Reserve	0.2			(0.1)	(0.0)	(0.2)	0.00	0.00			0.0					0.0
<u>Changes in Operating Assets and Liabilities</u>																
Change in Acc. Receivable	0.1	(0.0)	(0.0)	(0.8)	0.7	(0.2)	(0.08)	0.02	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0
Prepaid and Other	0.0	0.0		(1.5)	1.0	(0.5)	0.06	0.09			0.2					0.0
Change in Inventories	(0.1)	(0.1)	0.1	0.1	0.2	0.2	0.03	0.01	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in Inventory Reserves		0.0			(0.0)		0.00	0.00			0.0					0.0
Change in Acc. Payable	0.2	0.1	0.2	(0.8)	0.3	(0.2)	0.02	0.10	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Accrued Interest	2.7	0.8		0.5	(0.0)	1.3	(0.00)	(0.00)			(0.0)					0.0
Reduction of Lease Liability	(0.0)	(0.0)		(0.0)	(0.0)	(0.1)	(0.01)	0.00			(0.0)					0.0
Deferred Compensation	0.4	0.0	0.6	(0.7)	0.0	(0.1)					0.0					0.0
Stock based Compensation		0.2	0.1	(0.3)	0.0	0.0					0.0					0.0
Gain on Debt Extinguishment		0.8									0.0					0.0
Change in Fair Value of Derivatives Liability		0.0									0.0					0.0
Change in Fair Value of Promissory Notes		(0.3)									0.0					0.0
Other Operating Activities			1.5	(1.2)	0.0	0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash used in operating activities	(1.0)	(0.4)	(0.3)	(3.7)	0.8	(4.5)	(1.14)	(1.19)	(1.4)	(1.4)	(5.2)	(1.5)	(1.4)	(1.3)	(1.1)	(5.3)
Capitalization of Patents	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.00)	(0.03)			(0.0)					0.0
Purchase of PP&E				(0.0)	(0.1)	(0.1)	0.00	(0.09)			(0.1)					0.0
Sale (Purchase) of Intangible assets	(0.0)			(0.0)	0.0	(0.0)	(0.01)	(0.01)			(0.0)					0.0
Net cash used in investing activities	(0.1)	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.01)	(0.13)	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0
Proceeds from Stock Offering				6.5	0.0	6.5	1.91	0.00	2.0	0.0	3.9	0.0	0.0	0.0	0.0	0.0
Payment of Deferred Offering Costs	(0.1)	(0.0)	(0.1)	(0.0)	(0.0)	(0.2)	(0.02)	0.00			(0.0)					0.0
Payment of Deferred Offering Costs for Proposed Offering								(0.01)			(0.0)					0.0
Proceeds from Exercise of Warrants				1.1	0.0	1.1	0.00	0.00			0.0					0.0
Proceeds from Notes Payable	0.8			0.7	0.0	0.7					0.0					0.0
Repayment of Notes Payable				(1.6)	0.0	(1.6)					0.0					0.0
Proceeds from Notes Payable - Related Parties	0.3	0.2	0.7	(0.9)	0.0	0.0					0.0					0.0
Repayments on Notes Payable - Related Parties			(0.3)		0.0	(0.3)					0.0					0.0
Proceeds from Advances - Related Party	0.2			0.3	0.0	0.3					0.0					0.0
Net cash provided by financing activities	1.2	0.2	0.3	6.0	(0.0)	6.5	1.90	(0.00)	2.0	0.0	3.9	0.0	0.0	0.0	0.0	0.0
Foreign Exchange Rate Adj.	(0.0)	(0.0)	(0.0)	0.0	0.1	0.1	(0.00)	0.00								
Net Change in Cash	0.1	(0.2)	(0.0)	2.2	(0.1)	1.9	0.75	(1.32)	0.6	(1.4)	(1.4)	(1.5)	(1.4)	(1.3)	(1.1)	(5.3)
Cash balance at beginning of period	0.1	0.3	0.0	0.0	2.2	0.3	2.14	2.89	1.6	2.1	2.1	0.7	(0.8)	(2.2)	(3.5)	0.7
Cash balance at end of period	0.3	0.0	0.0	2.2	2.1	2.1	2.89	1.58	2.1	0.7	0.7	(0.8)	(2.2)	(3.5)	(4.6)	(4.6)

Source: Company reports, Ascendant Capital Markets estimates

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60 Degrees Pharmaceuticals, Inc.

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Total return is defined as price appreciation plus dividend yield.

Ratings Distribution and Investment Banking Disclosure (As of July 12, 2024)

	Investment Banking Services Past 12 Months			
	Count	Percent	Count	Percent
Buy	58	98%	21	36%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	59	100%	21	36%

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