United States
Healthcare

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Outlook Therapeutics, Inc.

Reports Q2. On track for ONS-5010 BLA FDA resubmission by end of 2024 and EU approval very soon. Lowering P/T to $35.

COMPANY UPDATE

Rating: BUY

Ticker: OTLK

Price: $8.00

Target: $35 (from $45)

Q2 about inline: Outlook recently (on May 15) reported its Q2 FY24 (ending March) results. EPS of $(1.55) compared with our and consensus estimates of $(0.85) - (1.27). There was no Q2 guidance. Outlook is a clinical stage medical device development/commercialization company so it generates no revenue.

Adjusting estimates: We are adjusting our FY24 EPS estimate to $(3.77) from $(3.51).

FDA issues CRL: On August 30, Outlook announced that the FDA issued a Complete Response Letter (CRL) for the BLA for ONS-5010, an investigational ophthalmic formulation of bevacizumab under development to treat wet AMD. While the FDA acknowledged the NORSE TWO pivotal trial met its safety and efficacy endpoints, it could not approve the BLA during this review cycle due to several CMC issues, open observations from pre-approval manufacturing inspections, and a lack of substantial evidence.

Received FDA confirmation: The company has met with and agreed to additional trials and data to addresses the FDA's requirement for BLA approval. The FDA agreed to the SPA (Special Protocol Assessment) in January. If the NORSE EIGHT trial is successful, it would satisfy the FDA's requirement for a second adequate and well-controlled clinical trial to address fully the clinical deficiency identified in the Complete Response Letter (CRL).

FDA BLA resubmission on track by end of 2024: NORSE EIGHT has started in February (dosed first patient) with completion in the U.S. expected in 2024, and the resubmission of the ONS-5010 BLA expected by the end of 2024.

ONS-5010 development: Outlook has one main therapeutic candidate, ONS-5010 (named LYTENAVA) which is a proprietary ophthalmic formulation of bevacizumab (Avastin) product for the treatment of wet AMD and other eye diseases. Avastin is FDA approved and used widely in oncology indications but is also used off-label for the treatment of several ophthalmic diseases. Outlook is developing LYTENAVA as a replacement for the use of off-label Avastin in the treatment of wet AMD.

Positive EU MMA decision expected very soon: Its EU Marketing Authorization Application (MAA) decision date is anticipated in the first half of 2024. In March, the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) issued a positive opinion so formal approval is very likely soon.

Capital raise: In January, the company announced a capital raise of up to $65 million in common stock (at the lower of $0.35/share or share price at closing) and an additional up to $107 million upon cash exercise of warrants. This deal closed in March raising ~$60 million.

Balance sheet: Outlook has $48 million in cash and $45 million in debt as of Q2. With its recent capital raise, we believe it has enough cash into mid-2025.

Reverse stock split: In March 2024, the company effected a 1:20 reverse stock split.

Significant upside potential: Outlook's shares closed at $28.20 on 8/29, and $5.40 on 8/30 (-81%) and its recent price is ~$8.00 reflecting the disappointing news. Although it will now take longer and require more investments, we believe that a FDA approval for ONS-5010 is still likely and that the current depressed share price is not reflective of that and represents significant upside potential.

Lowering P/T: Maintaining our BUY rating, but lowering our 12-month price target to $35 from $45. This is based on a NPV analysis, representing significant 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 Iselin, NJ, Outlook Therapeutics is a clinical-stage biopharmaceutical company focused on developing ONS-5010, a proprietary ophthalmic bevacizumab (Avastin) product for the treatment of wet AMD.

Stock Data

Exchange:	NasdaqCM
52-week Range:	$4.00 – 40.60
Shares Outstanding (million):	23
Market cap ($million):	$184
EV ($million):	$181
Debt ($million):	$45
Cash ($million):	$48
Avg. Daily Trading Vol. ($million):	$6
Float (million shares):	12
Short Interest (million shares):	1
Dividend, annual (yield):	$0 (NA%)

Revenues (US$ million)

	2024E (Cur.)	2024E (Old)	2025E (Cur.)	2025E (Old)
Q1 Dec	0A		0E	0E
Q2 Mar	0A	0E	1E	0E
Q3 Jun	0E		1E	0E
Q4 Sep	0E		3E	0E
Total	**0E**		**4E**	**0E**
EV/Revs	N/A		45x	

Earnings per Share (pro forma)

	2024E (Cur.)	2024E (Old)	2025E (Cur.)	2025E (Old)
Q1 Dec	(0.86)A		(0.68)E	(0.76)E
Q2 Mar	(1.55)A	(1.27)E	(0.65)E	(0.76)E
Q3 Jun	(0.75)E	(0.77)E	(0.62)E	(0.76)E
Q4 Sep	(0.82)E	(0.76)E	(0.57)E	(0.76)E
Total	**(3.77)E**	**(3.51)E**	**(2.51)E**	**(3.06)E**
P/E	N/A		N/A	

**Reflects a 1:20 reverse stock split in March 2024.*

Important Disclosures

Ascendiant 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 17.

Exhibit 1: Outlook's Investment Highlights

Investment Highlights

Seeking FDA Market Approval of ONS-5010 (bevacizumab-vikg)[1], an Investigational Therapy for the Treatment of Wet AMD

Targeting $13.1 Billion Global Ophthalmic Anti-VEGF Market[2]

Differentiated Drug Product

- Designed to meet robust standards required for ophthalmic approval
- Potential to eliminate risks associated with off-label repackaged bevacizumab, including potential impurities and particulates from compounders re-packaging processes
- Delivery ultimately expected through a convenient pre-filled syringe

Potential for 1st Approved Ophthalmic Bevacizumab

- Potential EU Market Approval targeted for H1 2024 with up to 10 years market exclusivity
- Exploring first launches in Germany (Q3 2024) and UK (Q4 2024)
- Expected resubmission of BLA on track for the end of calendar year 2024
- Planning to commence 3-month non-inferiority study with 60-day efficacy endpoint
- Provides an economically elegant anti-VEGF solution for patients, payers and doctors

Attractive Market Opportunity

- Strategic commercialization agreement with Cencora, formerly AmerisourceBergen
- 66.3% of new patient start are off-label repackaged bevacizumab, creating a significant opportunity for ONS-5010, if approved
- 12-years US regulatory exclusivity expected upon approval
- Label expansion opportunity into DME and BRVO

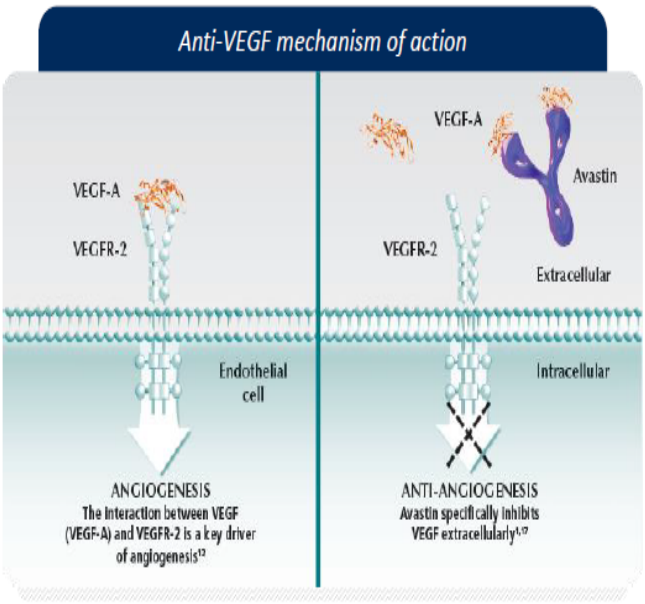
Source: Company reports.

Exhibit 2: Outlook's ONS-5010 (LYTENAVA)

Standard of Care in Wet AMD

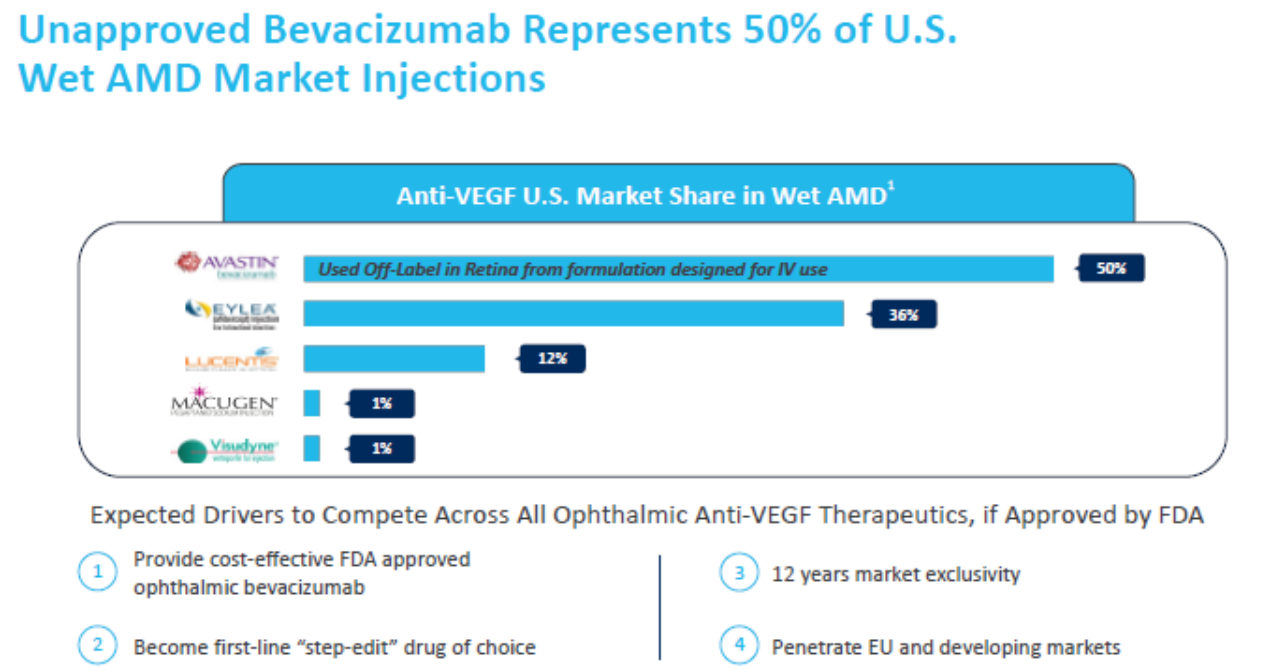
ONS-5010 / LYTENAVA™, if approved, will be the first on-label ophthalmic formulation of bevacizumab-vikg

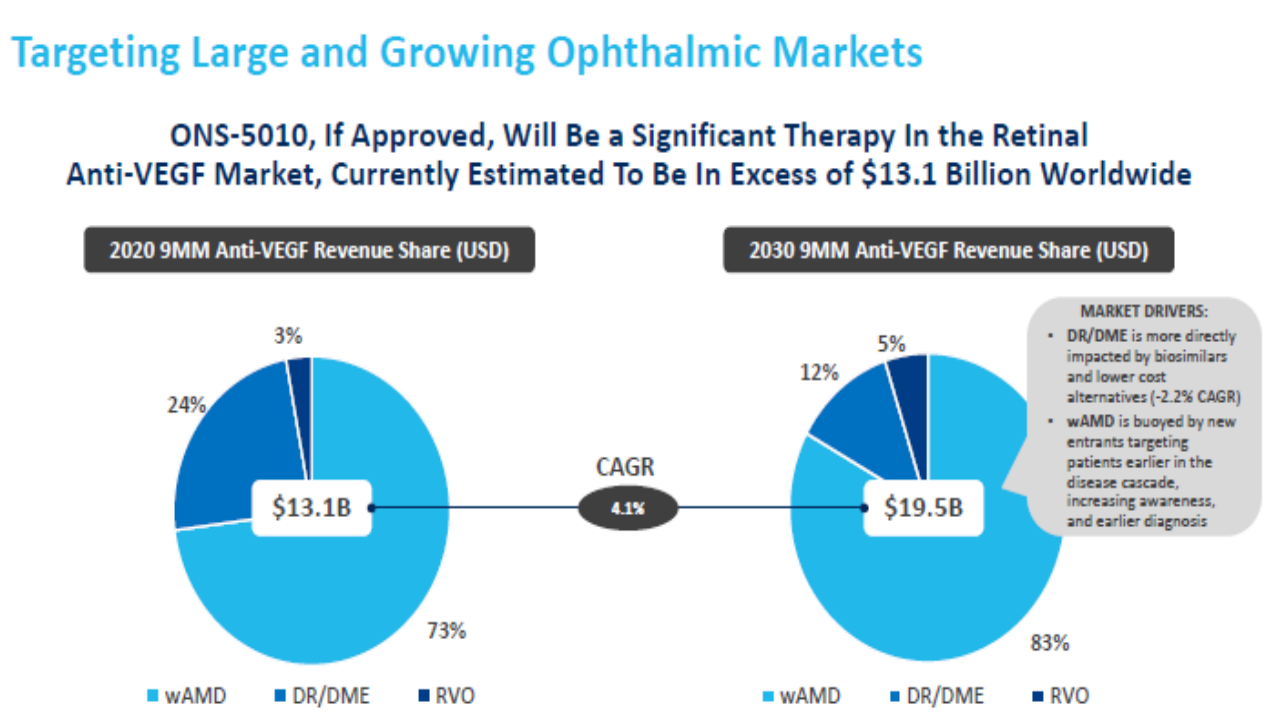
- Anti-VEGF drugs have been standard of care since 2006
  - Block growth of abnormal blood vessels and leakage of fluid from the vessels behind the retina
- Several new clinical-stage anti-VEGF drugs, including biosimilars, in development and/or recently approved
  - Require significant time and capital to achieve commercialization
  - New drugs expected to price at or near the high price points of current approved therapies



Source: Company reports.

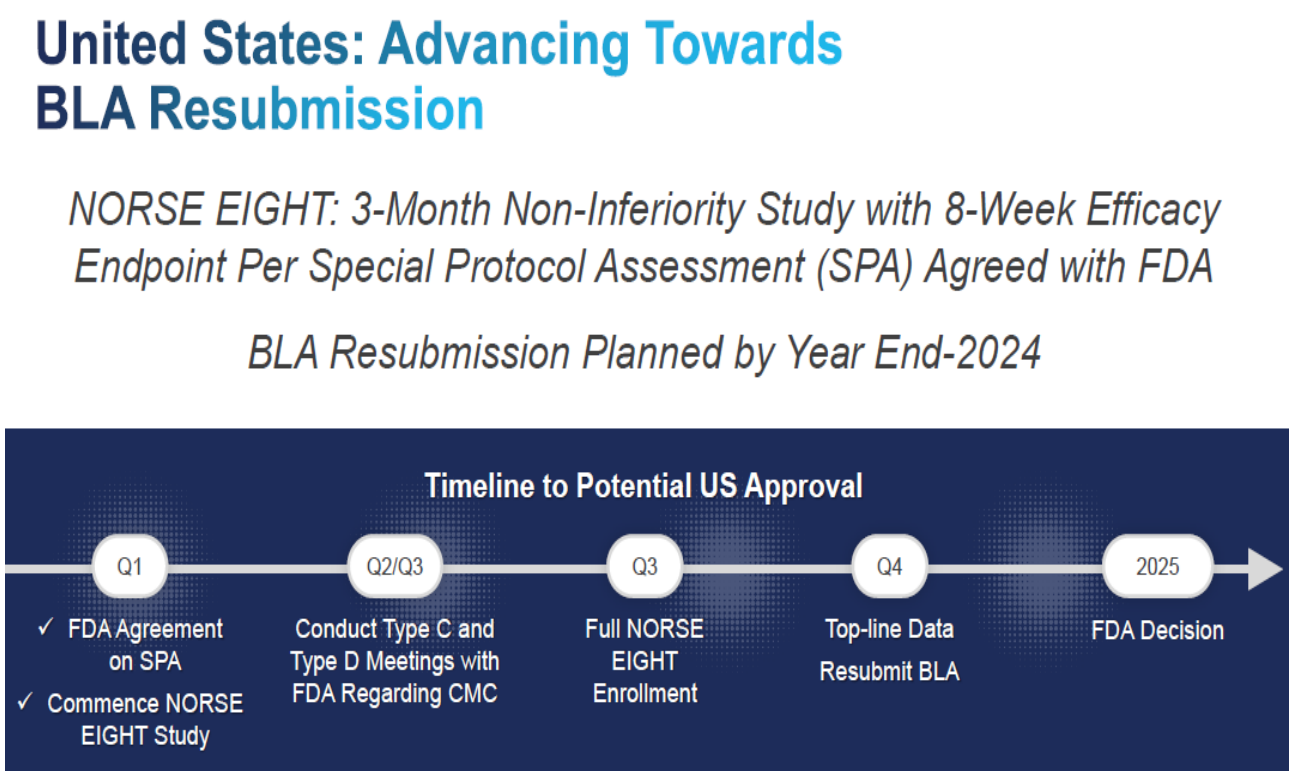
Exhibit 3: ONS-5010 (LYTENAVA) Market Opportunities





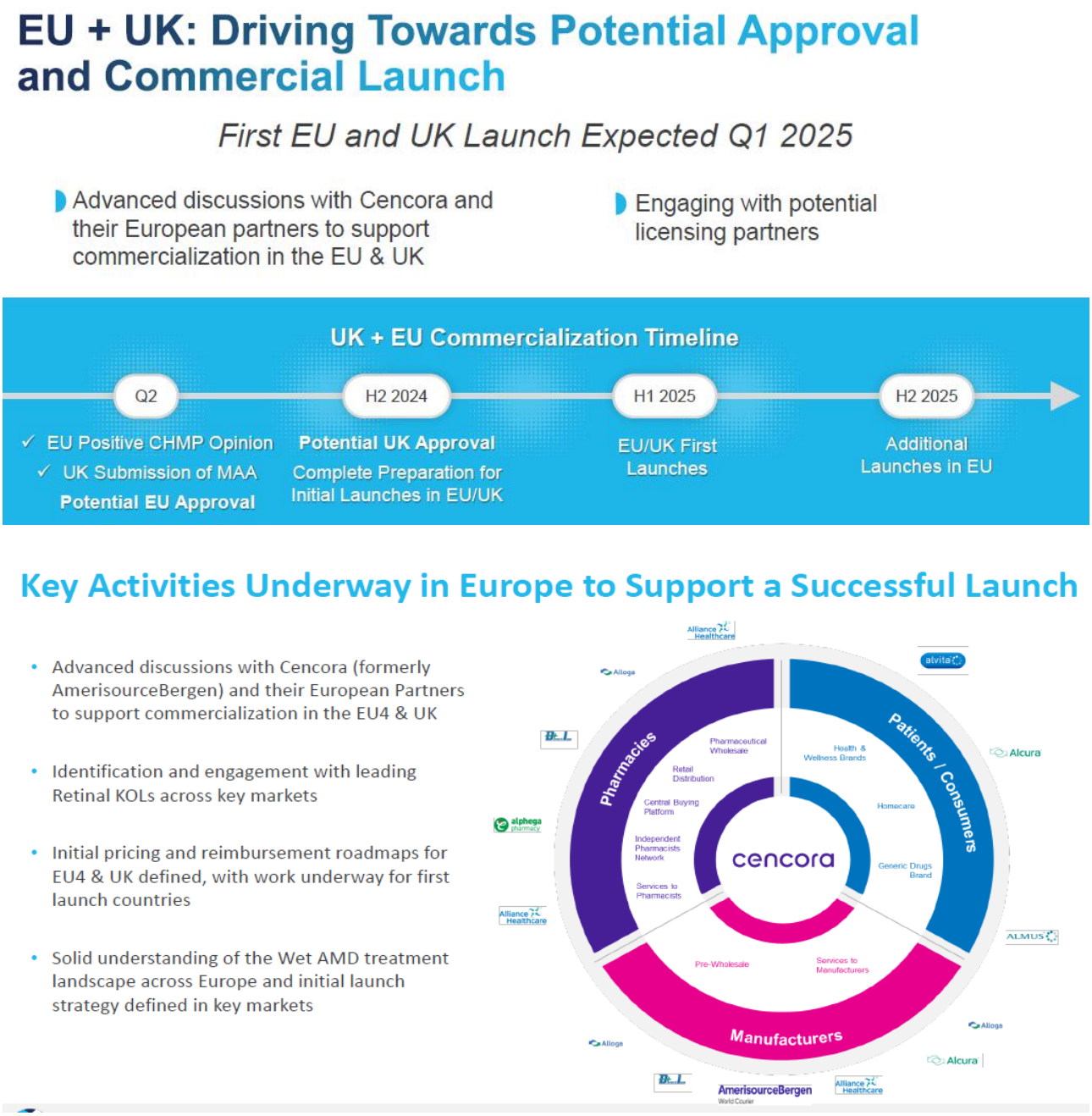
Source: Company reports.

Exhibit 4: ONS-5010 ((LYTENAVA) Planned FDA Milestones



Source: Company reports.

Exhibit 5: ONS-5010 (LYTENAVA) Commercial Strategy



Source: Company reports.

Exhibit 6: Recent Highlights and Upcoming Milestones (as of May 15, 2024)

Outlook Therapeutics® Reports Financial Results for Second Quarter Fiscal Year 2024 and Provides Corporate Update

May 15, 2024

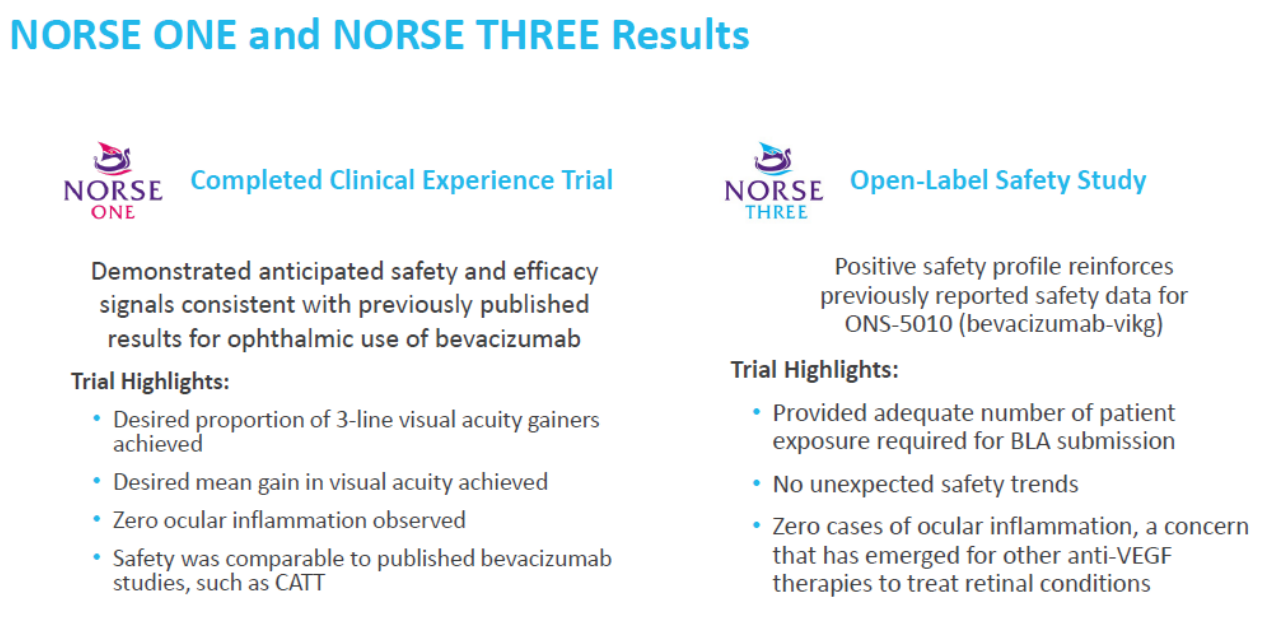
- **Positive opinion received from Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) for ONS-5010/LYTENAVA™ (bevacizumab gamma)**
- **United Kingdom (UK) Marketing Authorization Application (MAA) submitted**
- **NORSE EIGHT fully underway in the US; Topline readout expected in Q4 CY2024**
- **Resubmission of the ONS-5010 Biologics License Application (BLA) planned by the end of CY2024**
- **Company to host inaugural quarterly update conference call and webcast on Thursday, May 16th at 8:30 AM ET**

Upcoming Anticipated Milestones

- MAA decision in the European Union (EU) for ONS-5010 anticipated in Q2 CY2024;
- Full enrollment of NORSE EIGHT clinical trial in the US expected in Q3 CY2024;
- Topline readout of NORSE EIGHT clinical trial planned in Q4 CY2024;
- Resubmission of the ONS-5010 BLA targeted for the end of CY2024;
- Planning underway for potential commercial launches in the EU and UK to begin in first quarter of CY2025; and
- Potential for US FDA approval of ONS-5010 in 2025.

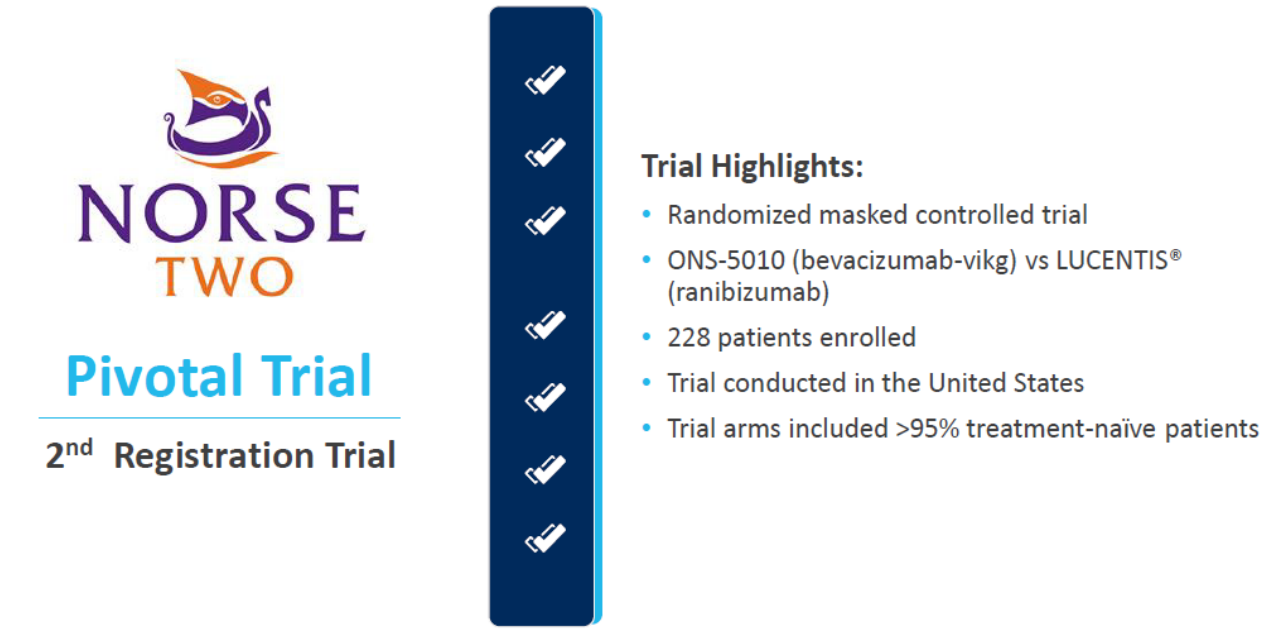
Source: Company reports.

Exhibit 7: NORSE ONE and THREE Studies Results



Source: Company reports.

Exhibit 8: NORSE TWO Pivotal Trial



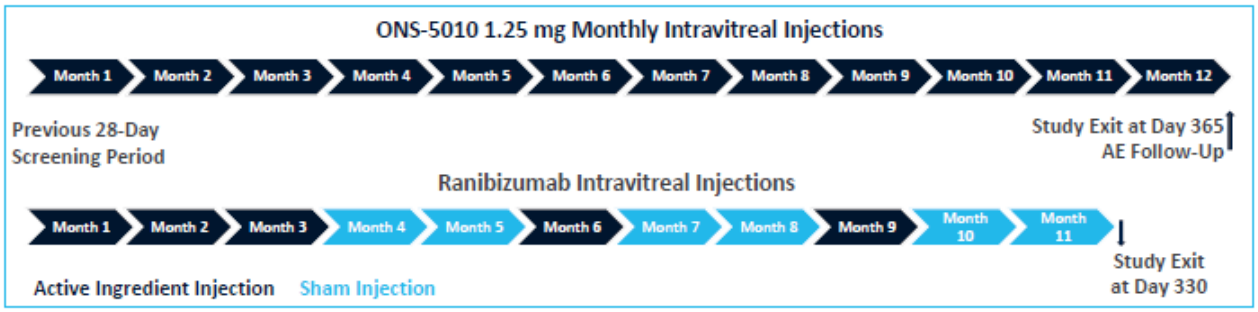
Source: Company reports.

Exhibit 9: NORSE TWO Study Conclusion

NORSE TWO

Superiority Phase 3 Pivotal Study Design

12-Month Study of Safety and Efficacy of ONS-5010 in Subjects with Wet AMD
Study Design and Statistical Analysis Plan Agreed to by U.S. FDA



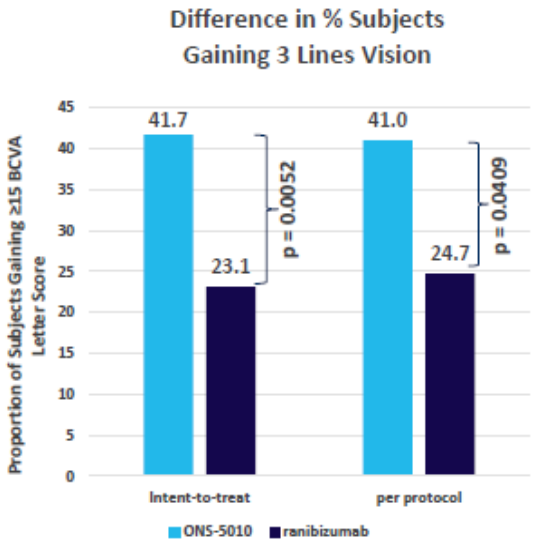
Study Eye Characteristics
- Active, primary CNV due to wet AMD
- Treatment-naïve
- BCVA: 20/50 – 20/320

Key Study Outcomes
- Proportion of subjects who gain ≥15 letters in BCVA
- Mean change in BCVA from baseline to Month 11
- Frequency and incidence of AEs

NORSE TWO

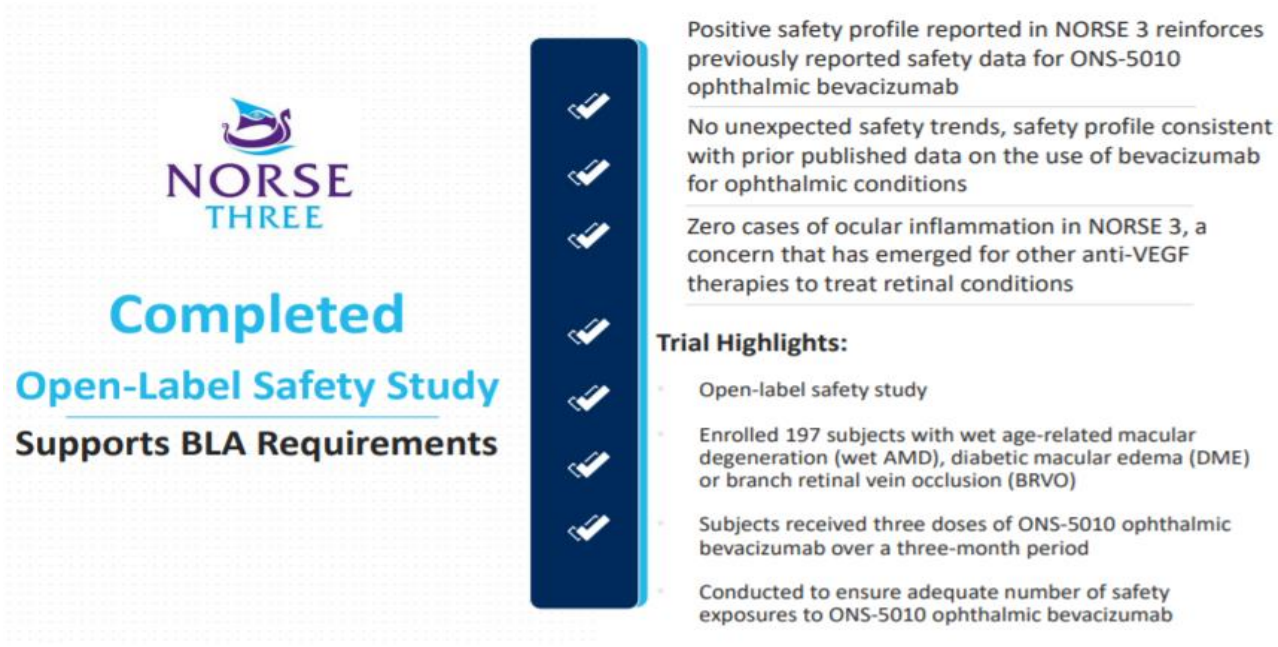
Primary Endpoint Met with Statistically Significant, Clinically Relevant Results[1]

Characteristic	Statistic	ONS-5010 (n=113)	Ranibizumab (n=115)
Intent-to-Treat Pop.			
Number of Subjects	n/N (%)	45/108 (41.7)	24/104 (23.1)
Risk Difference		0.1859	
95% CI		(0.0442,0.3086)	
p-value		0.0052	
Per Protocol Pop.			
Number of Subjects	n/N (%)	34/83 (41.0)	18/73 (24.7)
Risk Difference		0.1631	
95% CI		(0.0120, 0.3083)	
p-value		0.0409	



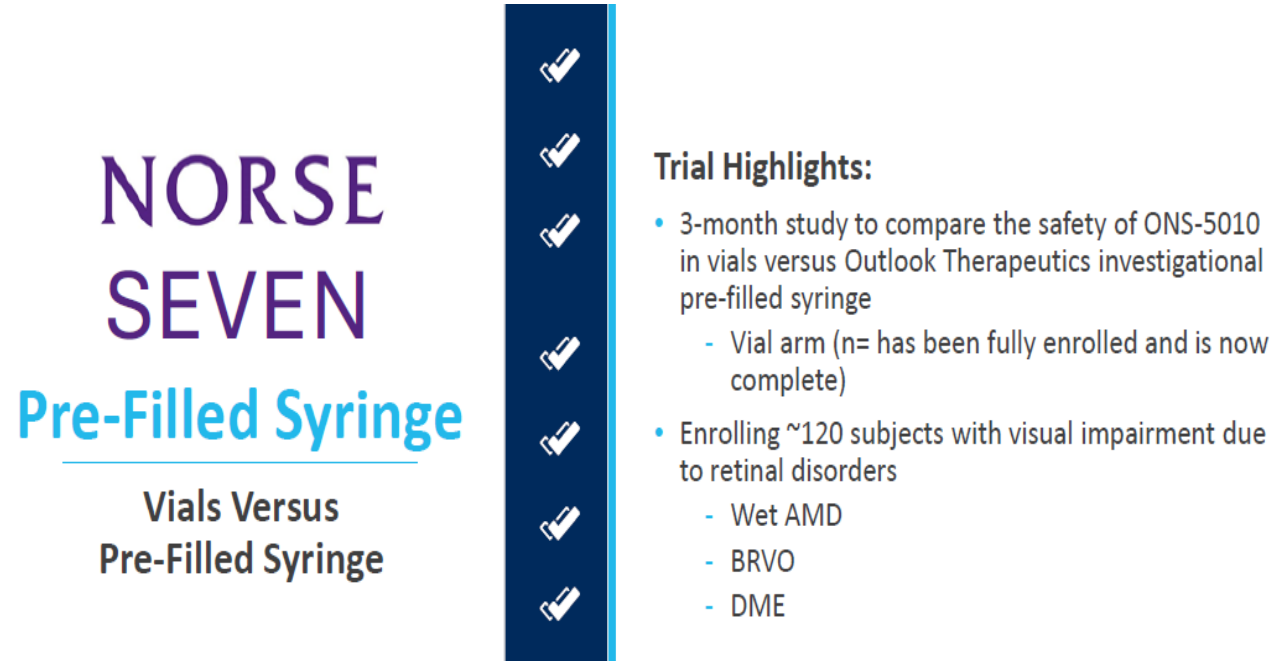
Source: Company reports.

Exhibit 10: NORSE THREE Safety Study



Source: Company reports.

Exhibit 11: NORSE SEVEN Study (ongoing currently)



Source: Company reports.

Exhibit 12: FDA issues Complete Response Letter (August 30, 2023)

Outlook Therapeutics® Provides Regulatory Update on FDA Review of ONS-5010 / LYTENAVA ™ (bevacizumab-vikg) for the Treatment of Wet AMD

August 30, 2023

FDA issues Complete Response Letter (CRL) for ONS-5010 BLA based on CMC and need for further confirmatory clinical evidence

Outlook Therapeutics working with FDA to address the Agency's issues

Company to host conference call and webcast, today, August 30 at 8:30 AM ET

ISELIN, N.J., Aug. 30, 2023 (GLOBE NEWSWIRE) -- Outlook Therapeutics, Inc. (Nasdaq: OTLK), a biopharmaceutical company working to achieve FDA approval for the first ophthalmic formulation of bevacizumab for the treatment of retinal diseases, today announced the U.S. Food and Drug Administration (FDA) has issued a CRL to the Company's BLA for ONS-5010, an investigational ophthalmic formulation of bevacizumab under development to treat wet AMD. While the FDA acknowledged the NORSE TWO pivotal trial met its safety and efficacy endpoints, the Agency concluded it could not approve the BLA during this review cycle due to several CMC issues, open observations from pre-approval manufacturing inspections, and a lack of substantial evidence.

"We continue to believe in the public health need to provide the retina community with an FDA-approved bevacizumab treatment option for wet AMD. We will request a formal meeting as soon as possible with the FDA to further understand the BLA deficiencies and how best to resolve them. Following this meeting with the FDA, the Company will be able to discuss next steps and the expected timing for resolution," said Russell Trenary, President and CEO of Outlook Therapeutics.

Julia A. Haller, MD, Ophthalmologist-in-Chief at Wills Eye Hospital and an Outlook Therapeutics Board member, commented, "The retina community needs an FDA-approved ophthalmic bevacizumab to deliver an alternative targeted on-label treatment for patients with wet AMD."

Source: Company reports.

Exhibit 13: Receives FDA Agreement for NORSE EIGHT and Capital Raise of up to $172 Million (January 23, 2024)

Outlook Therapeutics® Receives FDA Agreement Under Special Protocol Assessment (SPA) for 90 Day Non-Inferiority Study, NORSE EIGHT, and Announces Private Placement of Up to $172 Million to Advance ONS-5010

January 23, 2024

- Obtained clarity from U.S. Food and Drug Administration (FDA) on next steps to advance ONS-5010
- NORSE EIGHT expected to commence in the first quarter of CY2024, enabling potential resubmission of the ONS-5010 Biologics License Application (BLA) by the end of CY2024
- Private placements to top tier institutional investors and insiders include up to $65 million in common stock and up to an additional $107 million upon cash exercise of warrants, subject to closing conditions
- Aggregate financing, subject to achievement of milestones, is expected to be sufficient to take ONS-5010 through potential FDA approval and fund commercial launch

ISELIN, N.J., Jan. 23, 2024 (GLOBE NEWSWIRE) -- Outlook Therapeutics, Inc. (Nasdaq: OTLK), a biopharmaceutical company working to achieve FDA approval for the first ophthalmic formulation of bevacizumab for the treatment of retinal diseases, today announced that it has received written agreement from the FDA under an SPA for the NORSE EIGHT clinical trial protocol evaluating ONS-5010 in neovascular age-related macular degeneration (AMD) subjects. Additionally, Outlook Therapeutics entered into securities purchase agreements with certain institutional and accredited investors for up to $172 million in gross proceeds to fund the advancement of ONS-5010.

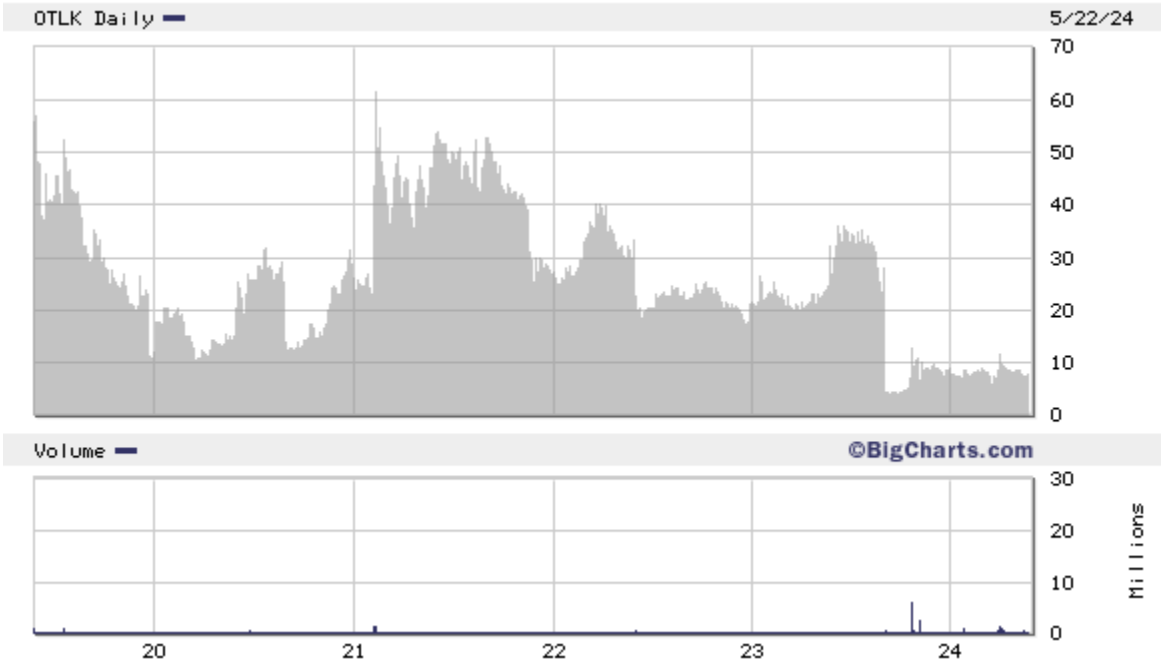
"The SPA increases our confidence that ONS-5010, if approved, will more effectively meet the needs of retina surgeons, patients and payers in the $9.5 billion ophthalmic anti-VEGF market in the United States, and the financing represents a significant commitment by our new and existing stockholders to advance this important development program," commented Russell Trenary, President and Chief Executive Officer. "We believe that the funds we expect to receive in this financing will position Outlook Therapeutics to support the ONS-5010 development pathway through potential FDA approval and launch."

The FDA has reviewed and agreed upon the NORSE EIGHT trial protocol pursuant to the SPA. If the NORSE EIGHT trial is successful, it would satisfy the FDA's requirement for a second adequate and well-controlled clinical trial to address fully the clinical deficiency identified in the Complete Response Letter (CRL).

NORSE EIGHT will be a randomized, controlled, parallel-group, masked, non-inferiority study of approximately 400 newly diagnosed, wet AMD subjects randomized in a 1:1 ratio to receive 1.25 mg ONS-5010 or 0.5 mg ranibizumab intravitreal injections. Subjects will receive injections at Day 0 (randomization), Week 4, and Week 8 visits. The primary endpoint will be mean change in BCVA from baseline to week 8. Outlook Therapeutics expects NORSE EIGHT topline results and resubmission of the ONS-5010 BLA by the end of calendar year 2024. In addition, through a Type A meeting and additional interactions, Outlook Therapeutics has identified the approaches needed to resolve the chemistry, manufacturing and controls comments in the CRL. Outlook Therapeutics is working to address the open items and expects to resolve these comments prior to the expected completion of NORSE EIGHT.

Source: Company reports.

Exhibit 14: Outlook Therapeutics Stock Price (5-years)



*Reflects a 1:20 reverse stock split in March 2024

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

Exhibit 15: Consensus Expectations (as of May 15, 2024)

	Revenue (mil)	
	2024E	2025E
Q1 Dec	$0A	
Q2 Mar	$0E	
Q3 Jun	$0E	
Q4 Sep		
Total	$0.2E	$13.1E

	EPS	
	2024E	2025E
Q1 Dec	$(0.86)A	
Q2 Mar	$(0.85)E	
Q3 Jun	$(0.90)E	
Q4 Sep		
Total	$(3.28)E	$(2.02)E

**Reflects a 1:20 reverse stock split in March 2024*

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

Source: Company report, LSEG, and Ascendiant Capital Markets estimates

FINANCIAL MODEL

Outlook Therapeutics, Inc.

Income Statement ($ mils)	Dec-21	Mar-22	Jun-22	Sep-22	2022	Dec-22	Mar-23	Jun-23	Sep-23	2023	Dec-23	Mar-24	Jun-24	Sep-24	2024	Dec-24	Mar-25	Jun-25	Sep-25	2025
Fiscal Year End: September 30	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	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**	**0.5**	**1.0**	**2.5**	**4.0**
Cost of Revenues					0.0					0.0					0.0	0.0	0.2	0.3	0.8	1.2
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	0.4	0.7	1.8	2.8
Research and development	9.9	12.2	11.2	9.0	42.3	9.9	0.5	11.1	4.9	26.5	4.5	13.5	9.0	9.0	36.0	6.0	6.0	6.0	6.0	24.0
General and administrative	3.3	6.7	5.8	5.0	20.7	5.8	6.3	7.0	7.5	26.7	5.8	5.4	6.0	8.0	25.2	8.0	8.0	8.0	8.0	32.0
Restructuring and other					0.0					0.0					0.0					0.0
Total operating expenses	13.1	18.9	17.0	14.0	63.1	15.7	6.8	18.1	12.5	53.1	10.3	18.9	15.0	17.0	61.3	14.0	14.0	14.0	14.0	56.0
Operating income (loss)	**(13.1)**	**(18.9)**	**(17.0)**	**(14.0)**	**(63.1)**	**(15.7)**	**(6.8)**	**(18.1)**	**(12.5)**	**(53.1)**	**(10.3)**	**(18.9)**	**(15.0)**	**(17.0)**	**(61.3)**	**(14.0)**	**(13.7)**	**(13.3)**	**(12.3)**	**(53.2)**
Interest income (expense)	(0.4)	(0.4)	(0.4)	(0.4)	(1.5)	(2.4)	0.2	0.4	0.3	(1.6)	0.2	(3.1)	(2.5)	(2.5)	(7.9)	(2.5)	(2.5)	(2.5)	(2.5)	(10.0)
Other income (expense)	(1.0)	(0.4)	(0.2)	0.0	(1.5)	(0.5)	(0.0)	(2.9)	(0.8)	(4.3)	(1.0)	(92.3)			(93.3)					0.0
Income before income taxes	(14.5)	(19.7)	(17.5)	(14.3)	(66.0)	(18.7)	(6.7)	(20.7)	(13.0)	(59.0)	(11.2)	(114.3)	(17.5)	(19.5)	(162.5)	(16.5)	(16.2)	(15.8)	(14.8)	(63.2)
Income taxes		0.0		0.0	0.0		0.0			0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (loss)	(14.5)	(19.7)	(17.5)	(14.3)	(66.1)	(18.7)	(6.7)	(20.7)	(13.0)	(59.0)	(11.2)	(114.3)	(17.5)	(19.5)	(162.5)	(16.5)	(16.2)	(15.8)	(14.8)	(63.2)
Nonrecurring/noncash adjustments					0.0					0.0		92.2			92.2					0.0
Net income (pro forma)	**(14.5)**	**(19.7)**	**(17.5)**	**(14.3)**	**(66.1)**	**(18.7)**	**(6.7)**	**(20.7)**	**(13.0)**	**(59.0)**	**(11.2)**	**(22.1)**	**(17.5)**	**(19.5)**	**(70.2)**	**(16.5)**	**(16.2)**	**(15.8)**	**(14.8)**	**(63.2)**
EBITDA																				
Shares, Basic	9.4	11.0	11.0	11.0	10.6	11.4	12.8	12.8	13.0	12.5	13.0	14.3	23.4	23.9	18.6	24.4	24.9	25.4	25.9	25.2
Shares, Diluted	9.4	11.0	11.0	11.0	10.6	11.4	12.8	12.8	13.0	12.5	13.0	14.3	23.4	23.9	18.6	24.4	24.9	25.4	25.9	25.2
EPS Basic (Pro forma)	**($1.54)**	**($1.80)**	**($1.59)**	**($1.30)**	**($6.23)**	**($1.64)**	**($0.52)**	**($1.61)**	**($1.00)**	**($4.72)**	**($0.86)**	**($1.55)**	**($0.75)**	**($0.82)**	**($3.77)**	**($0.68)**	**($0.65)**	**($0.62)**	**($0.57)**	**($2.51)**
EPS Diluted (Pro forma)	($1.54)	($1.80)	($1.59)	($1.30)	($6.23)	($1.64)	($0.52)	($1.61)	($1.00)	($4.72)	($0.86)	($1.55)	($0.75)	($0.82)	($3.77)	($0.68)	($0.65)	($0.62)	($0.57)	($2.51)
Margins																				
Gross margin													50%	50%	#DIV/0!	70%	70%	70%	70%	70%
Research and development													#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	1200%	600%	240%	600%
General and administrative													#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	1600%	800%	320%	800%
Operating margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	-2730%	-1330%	-490%	-1330%
Tax rate, GAAP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	-3230%	-1580%	-590%	-1580%
Y/Y % change																				
Total Revenue																				
Gross margin																				
Research and development	-17%	43%	32%	-10%	9%	0%	-96%	-1%	-45%	-38%	-54%	2379%	-19%	82%	36%	32%	-56%	-33%	-33%	-33%
General and administrative	46%	63%	97%	43%	62%	78%	-6%	22%	50%	29%	-1%	-14%	-15%	6%	-5%	38%	47%	33%	0%	27%
Operating income (loss)	-7%	50%	48%	4%	22%	19%	-64%	7%	-11%	-16%	-34%	177%	-17%	36%	15%	36%	-28%	-11%	-28%	-13%
Net income (loss)	0%	50%	44%	5%	24%	29%	-66%	18%	-9%	-11%	-40%	1618%	-15%	50%	175%	48%	-86%	-10%	-24%	-61%
EPS Diluted (Pro forma)	-35%	3%	10%	-16%	-11%	7%	-71%	1%	-23%	-24%	-48%	198%	-54%	-18%	-20%	-21%	-58%	-17%	-30%	-33%

Source: Company reports and Ascendiant Capital Markets estimates.

Reflects a 1:20 reverse stock split in March 2024

Outlook Therapeutics, Inc.

Balance Sheet ($ mils)	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Fiscal Year End: September 30	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	70.2	58.4	26.0	17.4	52.3	43.6	33.7	23.4	10.4	47.2	31.1	13.4	(1.8)	(16.6)	(31.1)	(44.5)
Short term investments											0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable, net											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	0.0
Prepaid expenses and other	7.3	8.1	11.5	10.1	9.3	9.4	9.3	7.6	10.0	10.6	10.6	10.6	10.6	10.6	10.6	10.6
Total current assets	77.5	66.5	37.5	27.5	61.7	53.1	43.0	31.0	20.4	57.8	41.6	23.9	8.8	(6.0)	(20.5)	(33.9)
Long term securities/investments	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Property and equipment, net	0.1	0.1	0.0								(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)
Intangibles, net											0.0	0.0	0.0	0.0	0.0	0.0
Deferred income tax											0.0	0.0	0.0	0.0	0.0	0.0
Other	0.3	0.2	0.2	0.2	0.2	0.2	0.6	0.5	0.5	0.5	0.5	0.0	0.0	0.0	0.0	0.0
Total assets	**78.7**	**67.7**	**38.6**	**28.5**	**62.7**	**54.0**	**44.4**	**32.3**	**21.7**	**59.0**	**42.8**	**24.6**	**9.5**	**(5.4)**	**(19.9)**	**(33.3)**
Liabilities and stockholders' equity																
Accounts payable	2.5	4.2	2.5	3.5	4.2	3.6	5.1	6.6	3.5	4.4	4.4	4.4	4.4	4.4	4.4	4.4
Accrued expenses	2.8	2.5	3.6	3.4	9.0	6.2	8.3	2.7	4.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Deferred revenue											0.0	0.0	0.0	0.0	0.0	0.0
Deferred income tax	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Other	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	0.0
Short term debt	12.7	22.8	10.5	10.9		31.8	34.7	35.6	36.5	44.7	44.7	44.7	44.7	44.7	44.7	44.7
Total current liabilities	**19.9**	**31.4**	**18.4**	**19.7**	**15.1**	**43.5**	**49.9**	**46.7**	**46.0**	**54.1**	**54.1**	**54.1**	**54.1**	**54.1**	**54.1**	**54.1**
Deferred income taxes											0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities	0.3	0.3	0.1	0.1	0.0	0.0	0.0	0.0	0.1	139.2	139.2	139.2	139.2	139.2	139.2	139.2
Deferred revenue											0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0						0.0	0.0	0.0	0.0	0.0	0.0
Long term debt	9.6				31.8						0.0	0.0	0.0	0.0	0.0	0.0
Total other liabilities	**9.9**	**0.3**	**0.1**	**0.1**	**31.8**	**0.0**	**0.0**	**0.0**	**0.1**	**139.2**	**139.2**	**139.2**	**139.2**	**139.2**	**139.2**	**139.2**
Preferred stock											0.0	0.0	0.0	0.0	0.0	0.0
Common stock	2.2	2.3	2.3	2.3	2.6	2.6	2.6	2.6	2.6	0.2	1.5	2.8	4.2	5.5	6.8	8.1
Additional paid-in capital	403.9	410.8	412.4	415.4	440.8	442.2	446.8	450.9	452.2	458.9	458.9	458.9	458.9	458.9	458.9	458.9
Retained earnings	(357.3)	(377.1)	(394.6)	(408.9)	(427.6)	(434.3)	(454.9)	(467.9)	(479.1)	(593.4)	(610.9)	(630.4)	(646.9)	(663.0)	(678.8)	(693.6)
Treasury stock											0.0	0.0	0.0	0.0	0.0	0.0
Accumulated other comprehensive income											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
Total stockholders' equity	**48.8**	**36.0**	**20.1**	**8.7**	**15.8**	**10.5**	**(5.5)**	**(14.4)**	**(24.3)**	**(134.2)**	**(150.4)**	**(168.6)**	**(183.8)**	**(198.6)**	**(213.1)**	**(226.6)**
Total stockholders' equity and liabil	**78.7**	**67.7**	**38.6**	**28.5**	**62.7**	**54.0**	**44.4**	**32.3**	**21.7**	**59.0**	**42.8**	**24.6**	**9.5**	**(5.4)**	**(19.9)**	**(33.3)**

Balance Sheet Drivers

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Book & Cash Value (per share)																
Book Value per Share (diluted)	$5.19	$3.28	$1.82	$0.79	$1.39	$0.82	-$0.43	-$1.11	-$1.87	-$9.41	-$6.43	-$7.06	-$7.53	-$7.98	-$8.39	-$8.75
Cash per Share (diluted)	$7.54	$5.41	$2.43	$1.65	$4.68	$3.46	$2.69	$1.86	$0.86	$3.36	$1.36	$0.59	-$0.04	-$0.64	-$1.19	-$1.69
Net cash per Share (diluted)	$5.17	$3.33	$1.49	$0.66	$1.88	$0.98	-$0.02	-$0.87	-$1.95	$0.23	-$0.55	-$1.28	-$1.88	-$2.43	-$2.95	-$3.41

Source: Company reports and Ascendiant Capital Markets estimates

Outlook Therapeutics, Inc.

Cash Flow Statement ($ mils)	Dec-21	Mar-22	Jun-22	Sep-22	2022	Dec-22	Mar-23	Jun-23	Sep-23	2023	Dec-23	Mar-24	Jun-24	Sep-24	2024	Dec-24	Mar-25	Jun-25	Sep-25	2025
Fiscal Year End: September 30	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Cash flow from operating activities																				
Net income	(14.5)	(19.7)	(17.5)	(14.3)	(66.1)	(18.7)	(6.7)	(20.7)	(13.0)	(59.0)	(11.2)	(114.3)	(17.5)	(19.5)	(162.5)	(16.5)	(16.2)	(15.8)	(14.8)	(63.2)
Depreciation	0.1	0.1	0.1	0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1
Amortization					0.0					0.0					0.0					0.0
Debt related amortization expen	0.3	0.4	0.4	0.5	1.7	1.4	0.0	0.0	0.0	1.4		2.7			2.7					0.0
Stock comp	1.2	3.8	1.4	1.4	7.7	1.4	1.4	1.4	1.4	5.5	1.3	1.3	1.3	1.3	5.2	1.3	1.3	1.3	1.3	5.2
Deferred income taxes					0.0					0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provision for bad debts					0.0					0.0					0.0					0.0
Change in fair value of warrant l	(0.1)	0.4	0.1	(0.9)	(0.5)	(0.0)	(0.0)	0.0	3.7	3.7	1.0	92.2			93.3					0.0
Writedowns and impairments			1.0	(0.1)	0.9			2.9	(2.9)	0.0					0.0					0.0
Other gains/losses	1.0	0.0	(1.0)	1.0	1.1	0.6	0.0	0.0	0.0	0.6	(0.0)	0.0			0.0					0.0
Other					0.0					0.0					0.0					0.0
Changes in operating assets and liabilities:																				
Accounts receivable					0.0					0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses & other curre	(0.3)	(0.8)	(3.4)	1.4	(3.1)	0.8	(0.1)	0.1	1.8	2.6	(2.4)	(0.5)	0.0	0.0	(3.0)	0.0	0.0	0.0	0.0	0.0
Income tax					0.0					0.0					0.0					0.0
Other assets	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)	0.0	(0.2)		(0.0)	0.0	0.5	0.5	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.2	1.8	(1.7)	1.0	1.3	0.7	(0.6)	1.2	1.8	3.1	(3.1)	0.3	0.0	0.0	(2.8)	0.0	0.0	0.0	0.0	0.0
Accrued expenses	1.0	(0.2)	(0.5)	(0.2)	0.2	5.0	(2.2)	2.1	(5.6)	(0.7)	1.3	(1.0)	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0
Deferred revenue					0.0					0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities					0.0					0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash (used in) provided by	**(11.0)**	**(14.3)**	**(21.1)**	**(10.3)**	**(56.7)**	**(8.9)**	**(8.1)**	**(13.2)**	**(12.7)**	**(43.0)**	**(13.0)**	**(19.3)**	**(16.2)**	**(17.7)**	**(66.1)**	**(15.2)**	**(14.8)**	**(14.5)**	**(13.4)**	**(57.8)**
Cash flow from investing activities																				
Purchases of property and equipment					0.0					0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchases of short-term investments					0.0					0.0					0.0					0.0
Acquisitions					0.0					0.0					0.0					0.0
Other					0.0					0.0					0.0					0.0
Net cash used in investing activ	**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**	**0.0**	**0.0**
Cash flow from financing activities																				
Issuance of debt	10.0				10.0	30.0				30.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of debt	(1.0)	(0.3)	(11.6)	(0.0)	(12.9)	(10.8)	(0.3)	(0.0)	(0.0)	(11.1)	(0.0)	(0.0)			(0.0)					0.0
Issuance of stock	57.7	2.7	0.3	1.6	62.3	24.6	(0.3)	3.3	2.4	30.0		56.1	0.0	0.0	56.1	0.0	0.0	0.0	0.0	0.0
Repurchase of common stock					0.0					0.0					0.0					0.0
Proceeds from stock option exe	0.0	0.2	0.0	0.0	0.2					0.0					0.0					0.0
Other					0.0					0.0					0.0					0.0
Dividends and distributions					0.0					0.0					0.0					0.0
Cash provided by (used in) fina	**66.7**	**2.6**	**(11.3)**	**1.6**	**59.6**	**43.8**	**(0.6)**	**3.3**	**2.4**	**49.0**	**(0.0)**	**56.1**	**0.0**	**0.0**	**56.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Effect of exchange rate on cash					0.0					0.0					0.0					0.0
Net increase (decrease) in cash	**55.7**	**(11.7)**	**(32.4)**	**(8.6)**	**2.9**	**34.9**	**(8.7)**	**(9.9)**	**(10.3)**	**6.0**	**(13.0)**	**36.9**	**(16.2)**	**(17.7)**	**(10.0)**	**(15.2)**	**(14.8)**	**(14.5)**	**(13.4)**	**(57.8)**
Beginning cash and equivalents	**14.5**	**70.2**	**58.4**	**26.0**	**14.5**	**17.4**	**52.3**	**43.6**	**33.7**	**17.4**	**23.4**	**10.4**	**47.2**	**31.1**	**23.4**	**13.4**	**(1.8)**	**(16.6)**	**(31.1)**	**13.4**
Ending cash and equivalents	**70.2**	**58.4**	**26.0**	**17.4**	**17.4**	**52.3**	**43.6**	**33.7**	**23.4**	**23.4**	**10.4**	**47.2**	**31.1**	**13.4**	**13.4**	**(1.8)**	**(16.6)**	**(31.1)**	**(44.5)**	**(44.5)**

Source: Company reports and Ascendiant Capital Markets estimates

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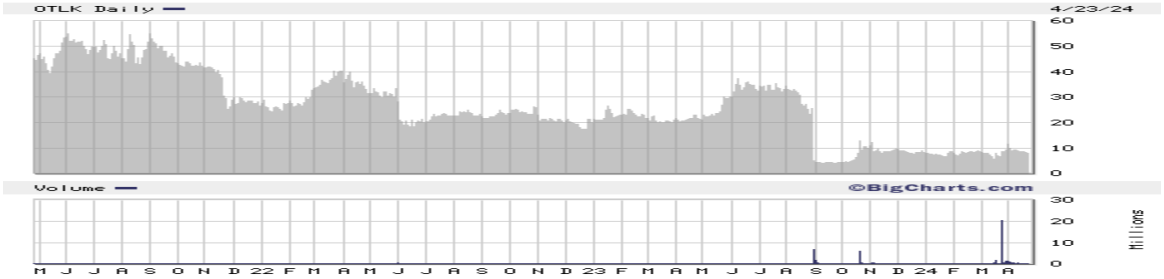
Outlook Therapeutics, Inc.



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

**Reflects a 1:20 reverse stock split in March 2024*

	Report Date		Price
Report	Date	Rating	Target
1	4/22/2019	B	80.00
2	5/16/2019	B	60.00
3	8/20/2019	B	80.00
4	12/22/2019	B	70.00
5	1/29/2020	B	75.00
6	2/20/2020	B	70.00
7	5/21/2020	B	65.00
8	8/21/2020	B	80.00
9	8/31/2020	B	65.00
10	1/6/2021	B	70.00
11	2/17/2021	B	100.00
12	5/22/2021	B	120.00
13	9/6/2021	B	140.00
14	12/23/2021	B	145.00
15	3/2/2022	B	150.00
16	5/27/2022	B	155.00
17	8/17/2022	B	140.00
18	3/29/2023	B	145.00
19	5/30/2023	B	150.00
20	9/9/2023	B	30.00
21	12/27/2023	B	40.00
22	2/23/2024	B	45.00

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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.

Ascendiant Capital Markets, LLC Distribution of Investment Ratings (as of April 15, 2024)

			Investment Banking Services Past 12 months	
Rating	**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

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