United States
Healthcare

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Outlook Therapeutics, Inc.

Initiating Coverage with BUY and $4.00 Target

Strong product potential for ONS-5010 to treat large global markets for wet AMD. We believe expected positive milestones and clinical data over the next year to be positive catalysts for stock.

COVERAGE INITIATION

Rating: BUY

Ticker: OTLK

Price: $1.59

Target: $4.00

Initiating with BUY: We are initiating coverage of Outlook Therapeutics with a BUY rating. Outlook is a clinical-stage biopharmaceutical company focused on developing ONS-5010, a proprietary ophthalmic bevacizumab (Avastin) product for the treatment of wet AMD.

Focused on ONS-5010 development: Outlook has one main therapeutic candidate, ONS-5010 which is a proprietary ophthalmic formulation of bevacizumab (Avastin) product for the treatment of wet AMD and other eye diseases. Bevacizumab is an anti-vascular endothelial growth factor (VEGF) antibody that inhibits VEGF. By inhibiting the VEGF receptor from binding, bevacizumab prevents the growth of abnormal tumor blood vessels beneath the retina which can cause vision loss.

ONS-5010 biosimilarity to Avastin: Avastin (bevacizumab) is a cancer medicine marketed by Genentech that interferes with the growth and spread of cancer cells in the body. 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 ONS-5010 as a replacement for the use of off-label Avastin in the treatment of wet AMD, as well as DME and BRVO.

Large market potential: The NEI (National Eye Institute) estimates that the prevalence of wet AMD among adults 40 years or older in the U.S. is ~1.75 million people. Wet AMD is also a significant disease worldwide, with an estimated ~2.8 million patients diagnosed in the U.S., top five European countries and Japan in 2018 (GlobalData).

Ramp up in clinical trials: ONS-5010 is currently active in two clinical trials. If the two clinical trials are successful, Outlook plans to submit for regulatory approval in multiple worldwide markets in Q4 2020. In addition, Outlook is also planning to begin enrolling patients in clinical trials for ONS-5010 for both DME and BRVO in the second half of 2019.

But still early stage: Outlook's recent financial performance is reflective of its developmental stage. The company does not provide specific quarterly financial guidance, but we believe $7 million is a reasonable near term quarterly burn rate. The company's balance sheet had ~$0 million in cash and $18 million debt as of December 2018, though it recently raised $27 million (selling ~10.3 million common stock at $2.75 per share). We believe the company has enough cash to fund its operations for the near year (through mid-2020).

Clinical data can be catalyst: Outlook anticipates receiving clinical data from its various trials over the next year. We believe strong positive data will likely be catalysts for the stock.

However, challenges exist: Outlook operates in a highly competitive environment and competes against a wide range of other therapeutics technologies and existing standards of care.

Positive high risks versus rewards: Overall, concerns outweighed by growth prospects and valuation. Though we acknowledge that Outlook's drugs still have long development roads left (~2 years), we believe the ~billion dollars market potentials presents a high reward for the risks.

Current valuation attractive: We calculate a 12-month price target for shares of Outlook to be $4.00 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 Cranbury, 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:	$0.20 – 8.80
Shares Outstanding (million):	22
Market cap ($million):	$35
EV ($million):	$26
Debt ($million):	$18
Cash ($million):	$0
Avg. Daily Trading Vol. ($million):	~$1
Float (million shares):	5
Short Interest (million shares):	~0
Dividend, annual (yield):	$0 (NA%)

Revenues (US$ million)

	2018A (Cur.)	2019E (Cur.)	2020E (Cur.)
Q1 Dec	0.8A	1.1A	0.6E
Q2 Mar	0.8A	0.8E	0.6E
Q3 Jun	0.8A	0.8E	0.6E
Q4 Sep	0.8A	0.8E	0.6E
Total	**3.1A**	**3.3E**	**2.4E**
EV/Revs	8.4x	7.9x	10.8x

Earnings per Share (pro forma)

	2018A (Cur.)	2019E (Cur.)	2020E (Cur.)
Q1 Dec	(1.27)A	(0.70)A	(0.35)E
Q2 Mar	(2.66)A	(0.66)E	(0.35)E
Q3 Jun	(2.10)A	(0.35)E	(0.35)E
Q4 Sep	(1.41)A	(0.35)E	(0.35)E
Total	**(6.95)A**	**(1.82)E**	**(1.40)E**
P/E	N/A	N/A	N/A

**Reflects a 1:8 reverse stock split in March 2019*

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 21.

Exhibit 1: Outlook Therapeutics Stock Price (3-years since IPO in May 2016)

Source: Nasdaq.com

INVESTMENT THESIS

We are initiating coverage of Outlook Therapeutics with a BUY rating and a 12-month price target of $4.00.

Based in Cranbury, 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 and other eye diseases. Since its inception, the company has done broad development work in biologics (products produced by living cells and used for the treatment of various diseases). However, the company in mid-2018 decided to focus development on just one biologic drug ONS-5010.

The company's goal is to launch ONS-5010 as the first, and only, approved bevacizumab in the U.S., Europe, Japan and other markets for the treatment of wet age related macular degeneration (wet AMD), diabetic macular edema (DME), and branch retinal vein occlusion (BRVO). ONS-5010 is currently active in two clinical trials (with one just started in March 2019).

Age related macular degeneration (AMD) is a common eye medical condition that usually affects older adults and generally results in loss of vision. Wet AMD is the advanced form of macular degeneration due to the formation of abnormal and leaky blood vessels in the back of the eye.

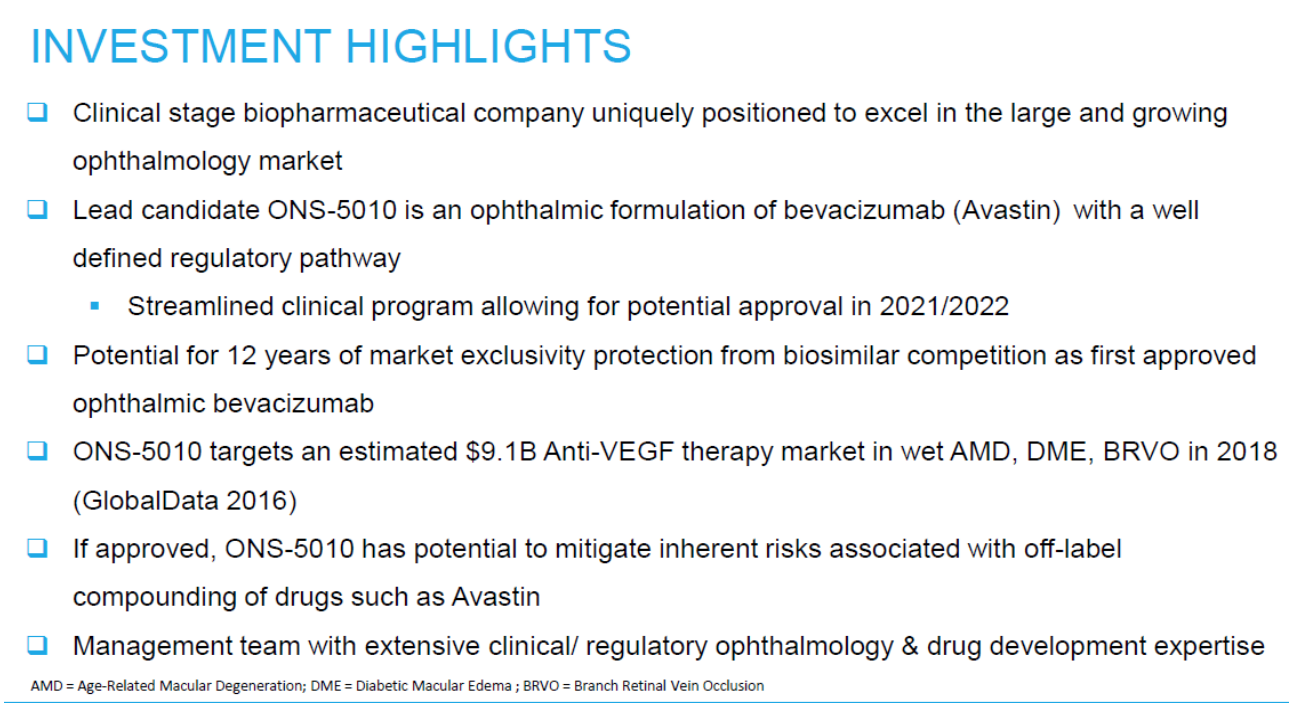
These vessels can leak fluid and blood, which may lead to swelling and damage to the retina of the eye causing vision loss. With wet AMD, abnormally high levels of VEGF (vascular endothelial growth factor) are secreted in the eyes. VEGF is a protein that promotes the growth of new abnormal blood vessels, which in turn can cause cancer or other diseases. Anti-VEGF injection therapy blocks this growth, and this therapy has become the standard of care treatment option for these types of eye conditions.

The NEI (National Eye Institute) estimates that the prevalence of wet AMD among adults 40 years or older in the U.S. is ~1.75 million people. In addition, more than 200,000 new cases are diagnosed annually in North America. Wet AMD is also a significant disease worldwide, with an estimated ~2.8 million patients diagnosed in the U.S., top five European countries and Japan in 2018 (GlobalData).

The current FDA approved market leaders for the treatment of wet AMD are VEGF inhibitors, including Lucentis, Eylea and off-label Avastin. Annual worldwide sales are estimated to be ~$9.1 billion in 2018 for anti-VEGF therapeutics (GlobalData). The cancer drug Avastin (bevacizumab), marketed by Genentech, is used in wet AMD patients although it has not been FDA approved for this use in these patients. However, it is believed that Avastin accounts for ~50% of all wet AMD prescriptions (through off-label use) in the U.S.

Outlook is developing ONS-5010 as a replacement for the use of off-label Avastin in the treatment of wet AMD, as well as DME and BRVO. If approved, Outlook believes ONS-5010 has potential to lower the risks associated with off-label compounding of Avastin, and has potential competitive advantages through the familiarity of patients and physicians in using off-label Avastin.

Exhibit 2: Outlook's Investment Highlights



Source: Company reports.

Outlook's wet AMD clinical program was reviewed at a positive end of Phase 2 meeting held with the FDA in 2018. In April 2019, Outlook received U.S. FDA approval of its Investigational New Drug (IND) application for ONS-5010. Outlook expects to report top line data from the first study (ex-U.S.) in the first quarter of 2020, and top line data from the second study (U.S.) in the third quarter of 2020. If the two clinical studies programs are successful, Outlook plans to submit for regulatory approval in multiple worldwide markets (including the U.S., Europe and Japan) in Q4 2020. In addition to the wet AMD clinical program for ONS-5010, Outlook is also planning to begin enrolling patients in clinical trials for both DME and BRVO in the second half of 2019.

Exhibit 3: ONS-5010 Development Pipeline

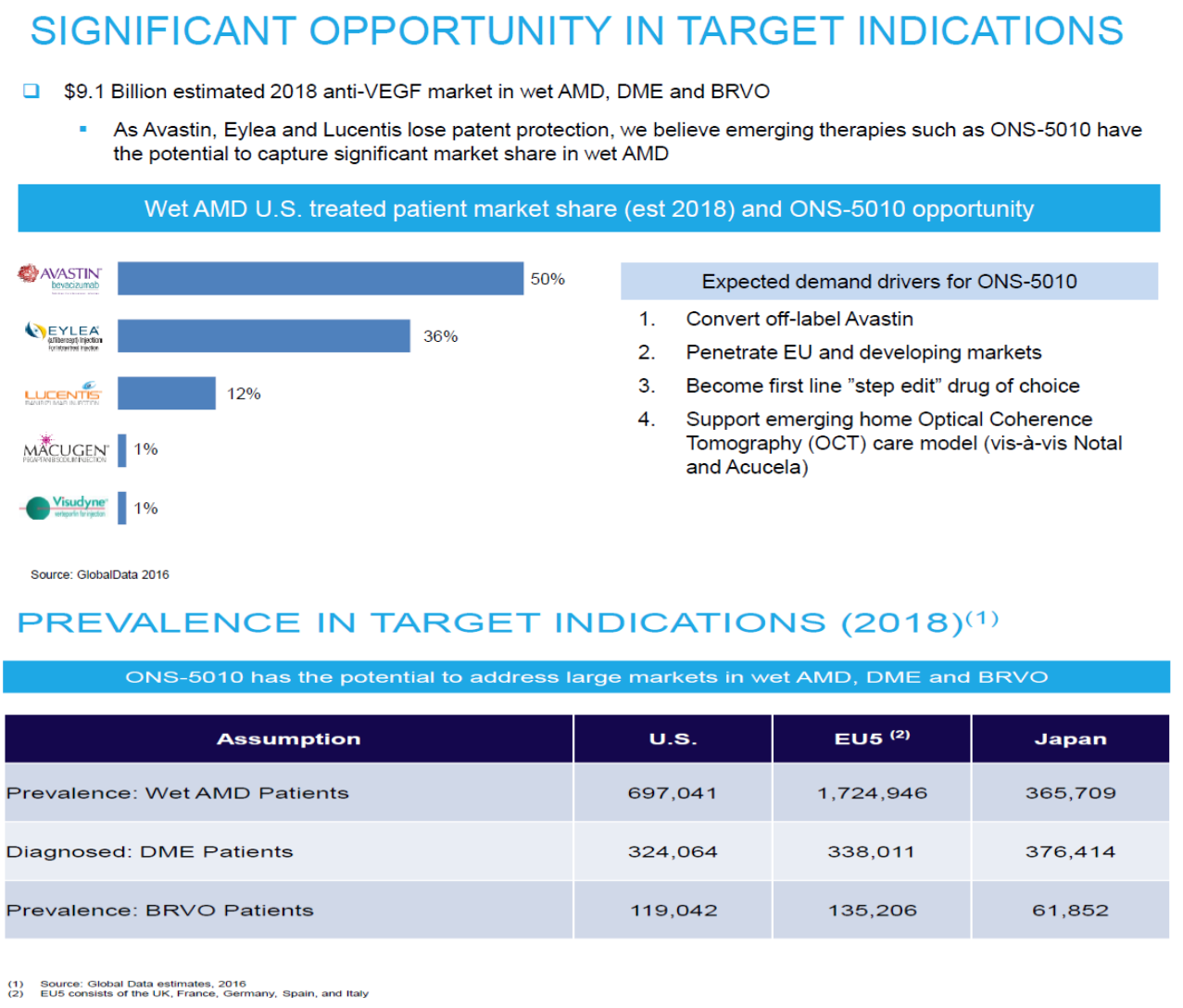
Source: Company reports.

Outlook's recent financial performance is reflective of its developmental stage. The company's near term plans over the next two years is to advance ONS-5010 in its clinical trials towards a FDA BLA approval. Outlook's share price YTD has been weak primarily due to its recent capital raise (~-60% from $4.00 on December 31, 2018), but we believe that there are near term catalysts that can drive the stock (particularly for key milestones expected in 2019).

The company's balance sheet had ~$0 million in cash and $18 million in debt as of December 2018. In April, the company raised ~$27 million selling stock (10.3 million at $2.75/share). In November, Outlook received an equity financing commitment for $20 million and restructured and extended the maturity of its senior secured notes ($14 million) that were previously due in December 2018. Outlook raised the $20 million from BioLexis Pte. Limited (f.k.a. GMS Tenshi Holdings Pte. Limited), the company's strategic business partner and largest investor (with ~80% ownership), selling ~2.6 million common stock at ~$7.46 per share (share price on the date of the November announcement). We believe the company has enough cash to fund its operations for the next year (through Q2 (March) 2020).

Our investment thesis factors in an uncertain drug development process and very competitive industry which is offset by the very large potential upside opportunities created from a successful drug. We believe that the current valuation for Outlook has already factored in many of its risks (principally drug approval and successful commercialization) but is under valuing its overall growth prospects and product portfolio, resulting in a positive risk versus reward scenario for an investment in Outlook.

Exhibit 4: ONS-5010 Market Opportunity



PREVALENCE IN TARGET INDICATIONS (2018)(1)

ONS-5010 has the potential to address large markets in wet AMD, DME and BRVO

Assumption	U.S.	EU5 (2)	Japan
Prevalence: Wet AMD Patients	697,041	1,724,946	365,709
Diagnosed: DME Patients	324,064	338,011	376,414
Prevalence: BRVO Patients	119,042	135,206	61,852

(1) Source: Global Data estimates, 2016
(2) EU5 consists of the UK, France, Germany, Spain, and Italy

Source: Company reports.

We believe the current valuation is attractive.

Our $4.00 price target is based on a NPV analysis. Based on our expectations and assumptions, we calculate a 12-month price target for shares of Outlook to be $4.00, representing significant upside from 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. We acknowledge that Outlook is still at an early stage in its drug development and product commercialization, but we believe key milestones over the next year should be positive catalysts for the stock.

INVESTMENT RISKS

Long and Uncertain Drug Development Cycles

Outlook is highly dependent upon securing drug approvals for its products in order to sell them (produce revenue). The drug development cycle can be long (average of 12 years), expensive (average of $350 million), complicated, and uncertain. On average only about 10% of drugs entering clinical trials ever make it to final approval. Because Outlook's main drug ONS-5010 is in various Phase 1/3 trials, there are still significant risks and a long time horizon to receive FDA approval (even with its shorter regulatory pathway for biosimilars). We estimate that it may be at least two years before the drug can receive FDA approval. Even after obtaining drug approvals, there is still a chance that commercial success will not be achieved (due to competition, changes in the market, lack of reasonable reimbursements, or lack of market acceptance). With a high likelihood of binary outcomes (either success or failure), the risks are high but the potential rewards can also be very high as well.

Product Commercialization Risks

Outlook's ONS-5010 aims to be the first, and only, approved bevacizumab (Avastin) in the U.S., Europe, Japan and other markets for the treatment of wet age related macular degeneration (wet AMD), diabetic macular edema (DME), and branch retinal vein occlusion (BRVO). Avastin (bevacizumab) is a cancer medicine marketed by Genentech that interferes with the growth and spread of cancer cells in the body. Avastin is FDA approved and used widely in oncology indications but also used off-label for the treatment of several ophthalmic diseases. Even if Outlook receives approval for its drugs, there are still significant risks to launch and commercialize its products, particularly against continued off-label use of Avastin.

High Level of Competition

Outlook operates in a highly competitive environment and competes against a wide range of other biopharmaceutical companies that are attempting to replicate or already have similar treatments as the company's drugs. Some of these competitors are much larger or have greater resources, and proprietary technology; which could result in lower projected sales for its drugs and higher costs, reduced margins, and lowered profitability for the company. Even if Outlook were to be successful with its BLA (Biologics License Application) for ONS-5010, its products will have to compete with existing or new standards of care.

Concentrated Product Pipeline

The company is currently developing just one novel biologic drug therapeutic (ONS-5010), though it has several others on hold pending acquiring partnership development agreements. If Outlook were to experience difficulties with development of ONS-5010, then it would have a material negative impact on its business and financials as there are no meaningful products which can offset.

Economic Uncertainty

While healthcare costs tends to be less correlated with economic activity and income levels due to their nondiscretionary nature, major deterioration in economic conditions tends to result in an overall decline in consumer spending. This was demonstrated during the 2008 and 2009 Great Recession and global economic slowdown. While consumer spending levels and economic conditions have improved significantly since and are currently strong, the global macroeconomic environment can change any time. Further economic weakness may result in depressed consumer spending levels; this may have a negative impact on Outlook, its business partners, and consumers.

Capital Markets Risks

Outlook has only enough cash to fund its operations for the next year (estimated through March 2020). We believe that it will be at least several years before the company can be cash flow self-sufficient from operations. Many biopharmaceutical companies fund their operations from the sale of equity or debt capital until their products reach commercial success or until they sell off the commercial rights to other companies. Biopharmaceuticals ("biotechs") valuations tend to fluctuate widely, and though they are reasonably strong now (due to a strong M&A market for biotechs), there is always the chance that market interests and valuations for companies in this industry decline significantly. The share price volatility in the past year (with a stock price range of $0.20 – 8.80) in Outlook's share price may make capital raising much more difficult and expensive, and we note its YTD share price performance has been weak (-60%) primarily due to its recent capital raise.

VALUATION

We are initiating coverage of Outlook with a BUY rating and a 12-month price target of $4.00, which is based on a NPV analysis. As the company is a clinical stage drug development company, it currently generates minimal revenues and significant losses so traditional valuation metrics are not useful. We believe a more accurate valuation should take into consideration the potential value of its product pipeline. We do acknowledge that this valuation is complex and requires a large number of forward assumptions that we have to estimate that may be imprecise and may vary significantly from actual results. This is particularly so for a company like Outlook which is still in early clinical trials and product commercialization with its main products.

However, we believe our assumptions are fair and provide a reasonable basis for our valuation analysis. Our analysis considers future estimated revenue from each of its major product pipelines (based on estimated future sales, a probability rate of success, and discounted this back to a current value), though our valuation is currently only focused on its ONS-5010 drug. We apply a high discount rate and about average probability of success to capture the uncertainties associated generally with drugs in development. We then added up the values, made an assumption about future investments required and allocated the value based on current share count. Based on our NPV analysis, we arrived at our 12-month price target of $4.00, which we believe appropriately balances out the company's risks with its high growth prospects.

Outlook's share price YTD has been weak (~-60% from $4.00 on December 31, 2018), but we believe that there are near term catalysts that can drive the stock (particularly for key milestones expected in 2019). As the company is likely to make significant progress (and milestones) in its drug development and product commercialization over the next several years, we believe this will result in much improved visibility into future cash flows. We expect valuations for Outlook to improve as visibility into cash flow generation becomes clearer, resulting in significant upside to the current share price.

Exhibit 5: Company Valuation (DCF)

Drugs	Estimated NPV	% of Success	Calculated NPV	Discount Rate	Estimated Annual Sales	% of Market Share	Market Potential per year
ONS-5010	$ 133	67%	$ 200	50%	$ 100	10%	$ 1,000
Total	**$ 133**						

Estimated additional investments required	$	45
Current Value for existing shareholders	$	88
Shares Outstanding (mils)		22
Estimated Value per share	**$**	**4.00**

Source: Ascendiant Capital Markets estimates

COMPANY

Based in Cranbury, 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 and other eye diseases. ONS-5010 is a complex biologic monoclonal antibody ("mAb") therapeutic for ophthalmic indications. Since its inception, the company has done broad development work in biologics (products produced by living cells and used for the treatment of various diseases). However, the company in mid-2018 decided to focus development on just one biologic drug ONS-5010.

The company's goal is to launch ONS-5010 as the first, and only, approved bevacizumab in the U.S., Europe, Japan and other markets for the treatment of wet age related macular degeneration (wet AMD), diabetic macular edema (DME), and branch retinal vein occlusion (BRVO). The company tentatively plans to submit a BLA (Biologics License Application which is comparable to a New Drug Application (NDA)) for ONS-5010 in Q4 2020.

Originally founded as Oncobiologics, Inc. in January 2010, the company started operations in July 2011, and in November 2018 changed its name to Outlook Therapeutics, Inc. The company completed its IPO in May 2016 (raising ~$30 million at ~$48.00/share).

The company's corporate headquarters is in Cranbury, New Jersey where it occupies a 66,000 sq. ft. office, manufacturing and laboratory space facility. As of November 30, 2018, the company had 56 employees, 37 of whom were primarily engaged in research and development activities.

Exhibit 6: Outlook Therapeutics Overview

Source: Company reports.

MANAGEMENT TEAM

Lawrence Kenyon, age 53, Chief Executive Officer, President, Chief Financial Officer, Treasurer and Secretary. Mr. Kenyon has served as a Board member, CEO and President since August 2018, as Interim CEO from June 2018 to August 2018, and as CFO, Treasurer and Corporate Secretary since September 2015. From February 2014 to September 2015, Mr. Kenyon served as the CFO of Arno Therapeutics, Inc., a biopharmaceutical company focused on the development of therapeutics for cancer and other life threatening diseases. From 2011 to 2013, Mr. Kenyon served as the Interim President & CEO, CFO and Secretary of Tamir Biotechnology, Inc., a publicly held biopharmaceutical company engaged in the development of oncology and anti-infective therapeutics. Prior to that, Mr. Kenyon worked at Par Pharmaceutical Companies, Alfacell Corporation, and NeoPharm, Inc. Mr. Kenyon received a B.A. in Accounting from the University of Wisconsin — Whitewater and is a C.P.A. in Illinois.

Ralph "Randy" Thurman, age 69, Executive Chairman. Mr. Thurman has served as Executive Chairman since June 2018 and as a Board member since April 2018. He also currently serves as a senior advisor at BC Partners, a private equity firm, and as a Board member of Allscripts, Inc. and Zest Dental, Inc. From 2008 until 2011, Mr. Thurman served as Executive Chairman of CardioNet Inc. (now known as BioTelemetry, Inc.), and as interim CEO from 2008 until 2010. From 2001 until 2007, Mr. Thurman was Founder, Chairman and CEO of VIASYS Healthcare Inc., a diversified healthcare technology company, which was acquired by Cardinal Healthcare Inc. in 2007. Mr. Thurman also worked at Strategic Reserves, Corning Life Sciences, and Rhone-Poulenc Rorer Pharmaceuticals.

DRUG PIPELINE

Outlook has one main therapeutic candidate, ONS-5010 which is a proprietary ophthalmic bevacizumab (Avastin) product for the treatment of wet AMD and other eye diseases. ONS-5010 is a complex biologic monoclonal antibody (mAb) therapeutic for ophthalmic indications. Since its inception, the company has done broad development work in biologics (products produced by living cells and used for the treatment of various diseases). However, the company in mid-2018 decided to focus development on just one biologic drug ONS-5010.

ONS-5010 is a formulation of bevacizumab that is administered as an intravitreal (IVT) injection for the treatment of wet AMD and other eye diseases. Bevacizumab is a full length humanized anti-vascular endothelial growth factor (VEGF) antibody that inhibits VEGF and associated angiogenic activity. By inhibiting the VEGF receptor from binding, bevacizumab prevents the growth of abnormal tumor blood vessels beneath the retina. Avastin (bevacizumab) is a cancer medicine marketed by Genentech that interferes with the growth and spread of cancer cells in the body. Avastin is FDA approved and used widely in oncology indications but is also used off-label for the treatment of several ophthalmic diseases.

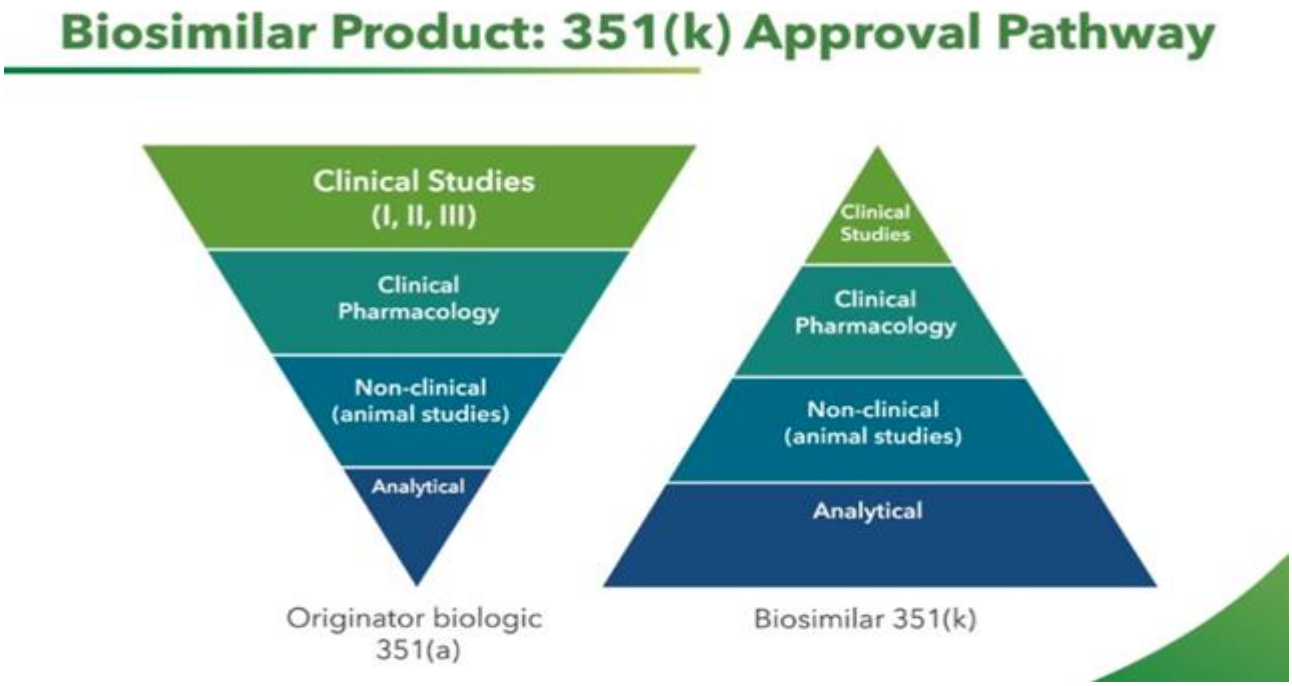
ONS-5010 is currently active in two clinical trials (with one just started in March 2019). In April 2019, Outlook received U.S. FDA approval of its Investigational New Drug (IND) application for ONS-5010. The company's goal is to launch ONS-5010 as the first, and only, approved bevacizumab (Avastin) in the U.S., Europe, Japan and other markets for the treatment of wet age related macular degeneration (wet AMD), diabetic macular edema (DME), and branch retinal vein occlusion (BRVO).

The company tentatively plans to submit a BLA (Biologics License Application which is comparable to a New Drug Application (NDA)) for ONS-5010 in Q4 2020. Most biologics development in the U.S. is covered by the Biologics Price Competition and Innovation Act of 2009 (BPCIA), which creates an abbreviated approval pathway for products that are "biosimilar" to an already FDA-approved biological drug product. In addition, the BPCIA provides biologics with 12 years of exclusivity from the date of their licensure, during which time the FDA cannot approve any application for a biosimilar candidate to the reference product.

Biological products include a wide range of products such as vaccines, blood and blood components, allergenics, somatic cells, gene therapy, tissues, and recombinant therapeutic proteins. Biologics can be composed of sugars, proteins, or nucleic acids or complex combinations of these substances, or may be living entities such as cells and tissues. In contrast to most drugs that are chemically synthesized and their structure is known, most biologics are complex mixtures that are not easily identified or characterized. Biologic products are produced by living cells and have been approved for the treatment of various diseases.

Biosimilars are the approved "copies" of such reference products. Monoclonal antibodies (mAb) are antibodies that are made by identical immune cells that are all clones of a unique parent cell. All FDA-approved biological products, including reference products and biosimilar products, undergo a rigorous evaluation so that patients can be assured of the efficacy, safety, and quality of these products. This process is similar to the drug approval process for NDA (New Drug Application), but is usually quicker and with a more focused analysis that the biological product is "biosimilar" to the reference product than on standalone clinical trials data (since it will rely on the clinical data of the reference product).

Exhibit 7: Biosimilar Product Approval Pathways



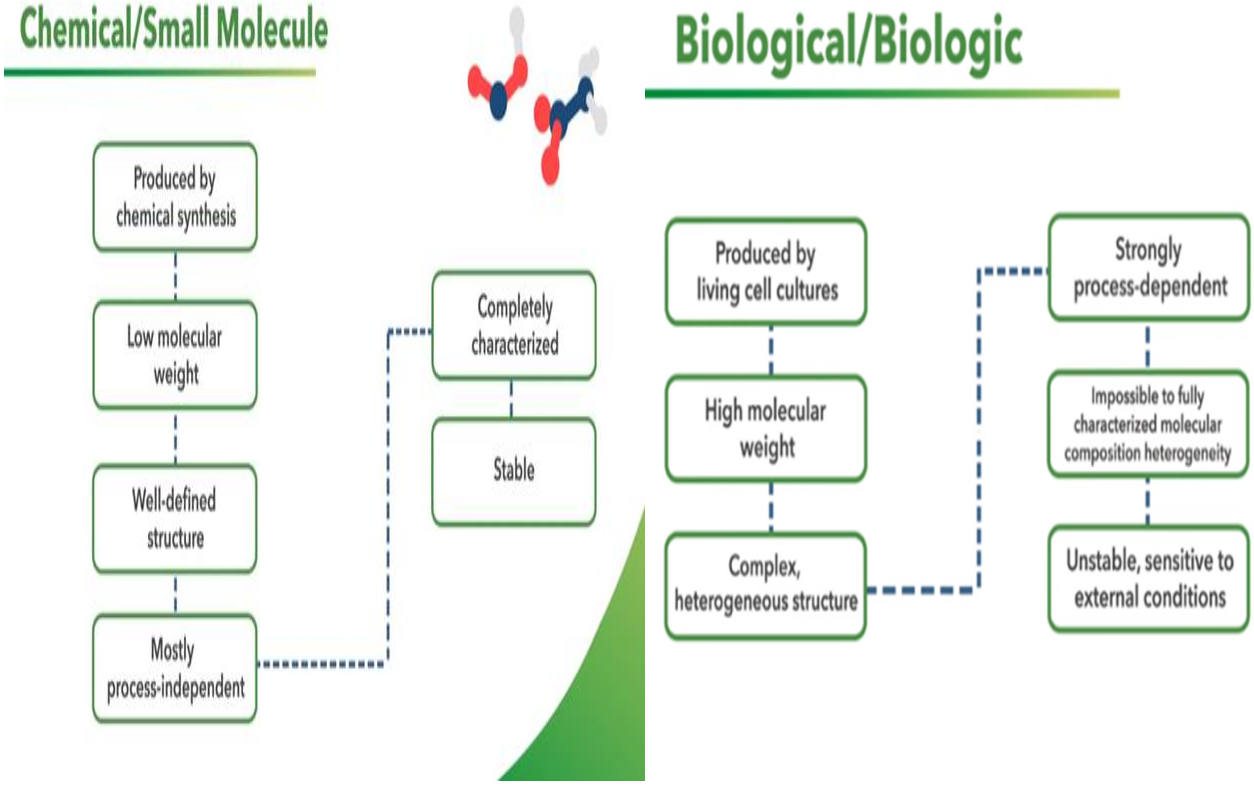
Source: Teva Pharmaceuticals USA, Inc.

The BPCIA added section 351(k) that created an abbreviated approval pathway for biologics shown to be highly similar to an FDA approved reference biologic. A biologic may be demonstrated to be "biosimilar" if data shows that the product is "highly similar" to a reference product. A biosimilar is highly similar to, and has no clinically meaningful differences in safety, purity, and potency (safety and effectiveness) from, an existing FDA-approved reference product. The goal of a biosimilar development program is to demonstrate biosimilarity between the proposed product and the reference product, and not to independently establish the safety and effectiveness of the proposed drug/biologic/product.

A reference product is the single biological product, already approved by FDA, against which a proposed biosimilar product is compared. A reference product is approved in a "standalone" application that must contain all data and information necessary to demonstrate its safety and effectiveness (including clinical trials data).

Outlook's BLA strategy is to demonstrate that its ONS-5010 (its formulation of bevacizumab) is biosimilar to Avastin. Outlook has successfully completed a Phase 1 pharmacokinetic (PK) study showing comparability to Avastin. Because there are no approved bevacizumab products for the treatment of retinal diseases, Outlook is developing ONS-5010 as an innovative therapy and not using the biosimilar drug development pathway. However, it should benefit from being a biosimilar drug/biologic/product.

Exhibit 8: Biologics Overview



Source: Teva Pharmaceuticals USA, Inc.

ONS-5010 is currently enrolling patients in an ex-U.S. clinical trial for wet AMD, with a second adequate and well controlled study has just begun enrolling patients in the U.S. after its FDA approval of its IND (Investigational New Drug) application. In November 2018, Outlook began dosing patients in the first clinical trial for ONS-5010 in patients with wet age related macular degeneration (wet AMD).

Outlook's wet AMD clinical program was reviewed at a positive end of Phase 2 meeting held with the FDA in 2018. If the clinical trials progress as planned, Outlook expect to report top line data from the first study (ex-U.S.) in the first quarter of 2020, and top line data from the second study (U.S.) in the third quarter of 2020. If the two clinical trials are successful, Outlook plans to submit for regulatory approval in multiple worldwide markets (including the U.S., Europe and Japan) in Q4 2020.

In addition to the wet AMD clinical program for ONS-5010, Outlook is also planning to begin enrolling patients in clinical trials for both DME and BRVO in the second half of 2019.

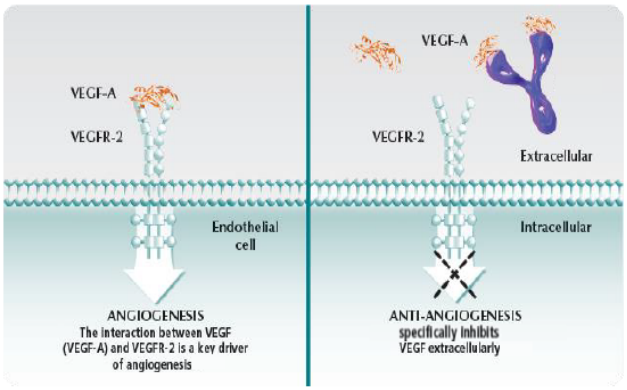
Exhibit 9: Outlook's ONS-5010

PRODUCT INTRODUCTION

ONS-5010

- ONS-5010 is an ophthalmic formulation of bevacizumab designed to replace the use of off-label Avastin
- Clinical program initiated in 2018 to evaluate ONS-5010 in first indication – wet AMD
  - Also being developed for DME and BRVO
- Avastin (bevacizumab) is an anti-VEGF monoclonal antibody (mAb)
  - It is estimated that off-label Avastin represents approximately 50% of the wet AMD market by volume
  - Avastin is approved and used widely in oncology indications but also used off-label for the treatment of several ophthalmic diseases

Anti-VEGF mechanism of action



Source: Company reports.

Age related macular degeneration (AMD) is a common eye medical condition that usually affects older adults and generally results in a loss of vision. AMD occurs in "dry" (non-exudative) and "wet" (exudative) forms. Wet AMD is the advanced form of macular degeneration due to the formation of abnormal and leaky blood vessels in the back of the eye behind the retina, in a process called choroidal neovascularization.

These vessels can leak fluid and blood, which may lead to swelling and damage of the retina of the eye causing vision loss. With wet AMD, abnormally high levels of VEGF (vascular endothelial growth factor) are secreted in the eyes. VEGF is a protein that promotes the growth of new abnormal blood vessels, which in turn can cause cancer or other diseases. Anti-VEGF injection therapy blocks this growth, and this therapy has become the standard of care treatment option for these types of eye conditions.

While the wet form accounts for ~15% of all AMD cases, according to NEI (National Eye Institute), it is responsible for 90% of severe vision loss associated with AMD. NEI estimates that the prevalence of wet AMD among adults 40 years or older in the U.S. is estimated at ~1.75 million patients. In addition, more than 200,000 new cases are diagnosed annually in North America. Wet AMD is also a significant disease worldwide, with an estimated ~2.8 million patients diagnosed in the U.S., top five European countries and Japan in 2018 (GlobalData).

Diabetic macular edema (DME) is caused by a complication of diabetes called diabetic retinopathy. Diabetic retinopathy is the most common diabetic eye disease and the leading cause of irreversible blindness in working age Americans. Diabetic retinopathy usually affects both eyes and is caused by ongoing damage to the small blood vessels of the retina. The leakage of fluid into the retina may

lead to swelling of the surrounding tissue, including the macula in the retina, causing vision loss. There were approximately 1.0 million patients with DME in the U.S., top five European countries and Japan in 2018 (GlobalData).

Branch retinal vein occlusion (BRVO) occurs when there is a blockage of veins carrying blood with oxygen and nutrients away from the nerve cells in the retina. The eye's retina has one main artery and one main vein. When the vein is blocked, blood and fluid spills out into the retina. Eventually, without proper blood circulation, nerve cells in the eye can die and vision loss can occur. A blockage in the main vein of the retina is referred to as a central retinal vein occlusion (CRVO), while a blockage in a smaller vein is called a branch retinal vein occlusion (BRVO). There were an estimated 0.3 million patients with BRVO in the United States, top five European countries and Japan in 2018 (GlobalData).

The current FDA approved market leaders for the treatment of wet AMD are VEGF inhibitors, including Lucentis, Eylea and off-label Avastin. Annual worldwide revenue is estimated to be ~$9.1 billion in 2018 for anti-VEGF therapeutics (GlobalData). The cancer drug Avastin (bevacizumab), marketed by Genentech, is used in wet AMD patients although it has not been FDA approved for use in these patients for this indication. However, it is believed that it accounts for ~50% of all wet AMD prescriptions (through off-label use) in the U.S.

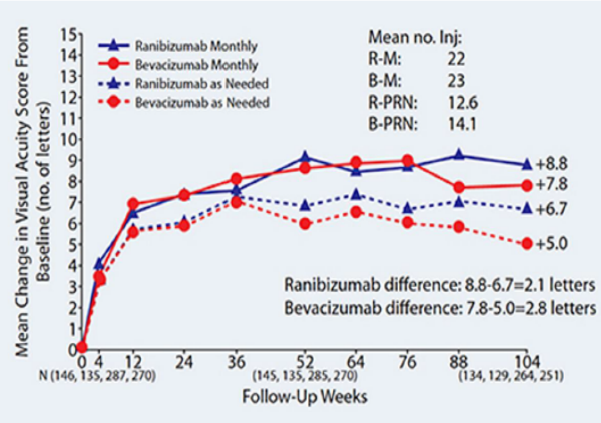
Outlook is developing ONS-5010 as a replacement for the use of off-label Avastin in the treatment of wet AMD, as well as DME and BRVO. If approved, Outlook believes ONS-5010 has potential to lower the risks associated with off-label compounding of Avastin, and has potential competitive advantages through the familiarity of patients and physicians in using off-label Avastin.

Exhibit 10: ONS-5010 (ophthalmic formulation of bevacizumab (Avastin)) Drug Development

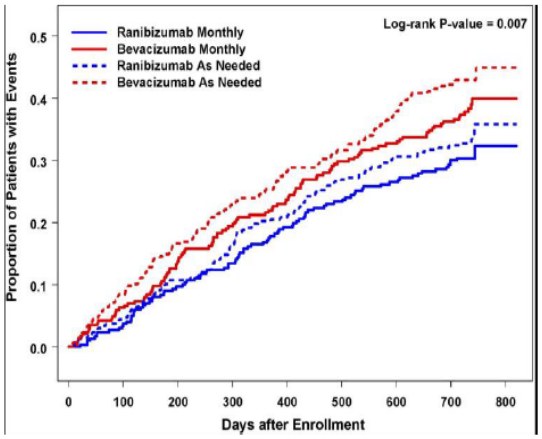
CATT DATA

- The CATT Study data demonstrated that bevacizumab is safe and effective for the treatment of age-related macular degeneration and non-inferior to Lucentis

Efficacy



Safety



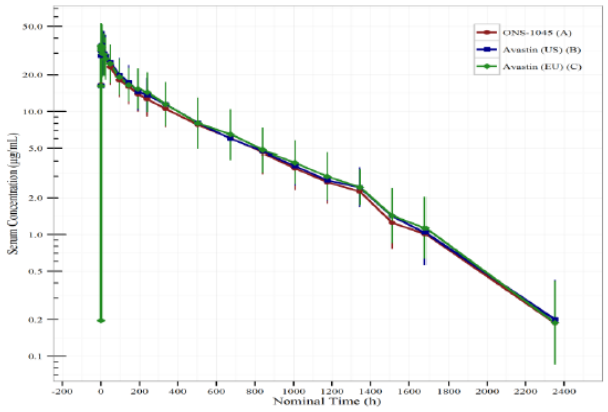
Source: Comparison of Age-related Macular Degeneration Treatments Trials (CATT) Research Group, Daniel F. Martin, Ophthalmology, July 2012 Volume 119, Issue 7, Pages 1388–1398

BEVACIZUMAB PHASE 1 PK

Phase 1 PK data demonstrated biosimiliarity between Outlook's formulation of bevacizumab vs. U.S. and EU versions of Avastin

- Phase 1 PK study was conducted using ONS-1045, a formulation of bevacizumab developed by Outlook Therapeutics
- Randomized, double blind, single dose study vs U.S. and EU Avastin
- Met primary and secondary endpoints
  - Biosimilar PK
  - Low immunogenicity
- High degree of similarity to Avastin

Mean (±SD) bevacizumab serum concentration - log scale



Source: Company reports.

Exhibit 11: ONS-5010 Planned Milestones

MILESTONES

Milestone	Target
U.S. IND submission	Q1 2019
Enrollment begins in 2nd Wet AMD clinical trial	Q1 2019
Meet with European regulatory authorities	Q2 2019
Initiate DME and BRVO clinical trials	H2 2019
ONS-5010-001 primary outcome data	Q1 2020
ONS-5010-002 primary outcome data	Q3 2020
BLA submission	Q4 2020

Source: Company reports.

Exhibit 12: ONS-5010 Commercial Strategy

COMMERCIAL STRATEGY

- Convert off-label Avastin use to ONS-5010
  - Pricing to maximize launch velocity and peak share
  - Pre-filled syringe provides convenience and safety (post-approval change)
  - Collaborative payor strategy (e.g., “not to exceed” per patient agreements)
- Become first-line ”step edit” drug of choice for branded (Eylea, Lucentis) and long acting options (e.g., brolucizumab, abicipar, GNE PDS)
- Support emerging at home OCT care model (e.g., Notal and Acucela)
- Penetrate EU5 and developing markets where off-label Avastin use has been restricted

Source: Company reports.

FINANCIALS

Outlook's fiscal year ends on September 30. We expect its next earnings report (for Q2 2019) to be in mid-May. Because the company is a clinical stage drug development company, it currently generates minimal revenues and significant losses as it funds its drug development. The company had a 1-for-8 reverse stock split in March 2019.

Exhibit 13: Outlook's Historical Financials

FYE September 30						
(in millions except EPS)	2015A	2016A	2017A	2018A	2019E	2020E
Total Revenue	**5.2**	**3.0**	**3.8**	**3.1**	**3.3**	**2.4**
Growth % (y/y)		-43%	28%	-19%	7%	-27%
Operating income (loss)	**(46.6)**	**(51.3)**	**(35.9)**	**(29.6)**	**(30.5)**	**(27.6)**
Net income	**(53.0)**	**(63.1)**	**(40.0)**	**(34.3)**	**(30.1)**	**(31.6)**
EPS	**$(43.44)**	**$(29.36)**	**$(13.33)**	**$ (6.95)**	**$ (1.82)**	**$ (1.40)**
Cashflow from operating activities	**(27.5)**	**(45.5)**	**(15.5)**	**(33.0)**	**(27.6)**	**(29.4)**

Source: Company reports and Ascendiant Capital Markets estimates.

Recent Results (fiscal Q1 ending December 2018)

Outlook's recent financial performance is reflective of its developmental stage. In its Q1 FY19 report (on February 14, 2019), the company reported minimal revenue and pro forma net loss was $7 million. Operating expenses were $11 million, mainly due to drug development costs and general and administrative expenses. Q1 EPS was $(0.70).

The company does not provide specific quarterly financial guidance. However, we believe Q1's operating expenses of $11 million is at the high side as the company had several special charges in Q1, so we believe a more reasonable near term quarterly burn rate would be ~$7 million. The company expects continued progress on its drug development milestones in 2019. We do not expect the company to experience material revenue until its ONS-5010 drug makes significant progress towards FDA approval (either from product sales or from the sales of drug marketing rights to new partners). We have modeled relatively steady operating costs over the next year, primarily driven by its expected two clinical trials expenses. For 2019, we expect revenues of $3.3 million (primarily from co-development and licensing revenue) and EPS of $(1.82).

The company's goal is to launch ONS-5010 as the first, and only, approved bevacizumab (Avastin) in the U.S., Europe, Japan and other markets for the treatment of wet age related macular degeneration (wet AMD), diabetic macular edema (DME), and branch retinal vein occlusion (BRVO). Its near term plans over the next two years is to advance ONS-5010 in its clinical trials towards a FDA BLA approval. The company tentatively plans to submit a BLA (Biologics License Application which is comparable to a New Drug Application (NDA)) for ONS-5010 in Q4 2020.

We believe that the biggest potential variable in our financial model is the ability of the company to get FDA (or equivalent) approval for its ONS-5010 drug under development. It is these approvals that are ultimately how Outlook will be able to finally be able to generate revenue. If the company can make significant progress towards these goals, then revenue and earnings will likely be able to grow significantly (though likely still several years away). However, if the company has difficulties in making progress towards getting drug approval, then revenue and earnings will likely grow at a more moderate rate or even not at all. Even after drug approval, Outlook face a big challenge to successfully commercialize its products.

The company's balance sheet had ~$0 million in cash and $18 million in debt as of December 2018. In April, the company just raised ~$27 million (10.3 million common stock at $2.75/share).

In November, Outlook announced that it has received an equity financing commitment for $20 million and restructured and extended the maturity of its senior secured notes ($14 million) that were previously due in December 2018. As part of its financing, the company has committed to reduce expenses, sell or license the rights to some or all of its clinical stage biosimilar assets and to explore strategic options for its manufacturing plant.

Outlook raised the $20 million from BioLexis Pte. Limited (f.k.a. GMS Tenshi Holdings Pte. Limited), the company's strategic business partner and largest investor (with ~80% ownership), selling ~2.6 million common stock at ~$7.46 per share (share price on the date of the November announcement). This deal was funded in 4 tranches, the first for $8 million in early November, and three $4 million tranches on December 3, 2018, January 3, 2019 and February 1, 2019.

In May 2018, the company raised $15 million from BioLexis (~1.6 million common stock at ~$9.36 per share). We believe the company has enough cash to fund its operations for the near year (through Q2 (March) 2020).

Exhibit 14: Outlook's Key Financial Metrics

Recent Share Price (4/18/19)	$ 1.59
52-Weeks Share Price (Low - High)	$0.20 - 8.80
Shares Outstanding	22
Market Capitalization	$35 million
Enterprise Value	$26 million
Cash (12/31/18)	~$0 million
Debt (12/31/18)	$18 million
2018A Net loss	$34 million
2018A EPS	$ (6.95)
2019E Net loss	$30 million
2019E EPS	$ (1.82)

Source: Company reports and Ascendiant Capital Markets estimates.

FINANCIAL MODEL

Outlook Therapeutics, Inc.

Income Statement ($ mils)	Dec-16	Mar-17	Jun-17	Sep-17	2017	Dec-17	Mar-18	Jun-18	Sep-18	2018	Dec-18	Mar-19	Jun-19	Sep-19	2019	Dec-19	Mar-20	Jun-20	Sep-20	2020
Fiscal Year End: September 30	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	**0.303**	**0.303**	**0.303**	**2.902**	**3.812**	**0.772**	**0.772**	**0.772**	**0.772**	**3.088**	**1.068**	**0.750**	**0.750**	**0.750**	**3.318**	**0.600**	**0.600**	**0.600**	**0.600**	**2.400**
Cost of Revenues										0.000					0.000					0.000
Gross Profit	0.303	0.303	0.303	2.902	3.812	0.772	0.772	0.772	0.772	3.088	1.068	0.750	0.750	0.750	3.318	0.600	0.600	0.600	0.600	2.400
Research and development	13.228	4.117	4.158	2.307	23.810	0.402	5.156	5.796	7.149	18.504	8.421	5.000	5.000	5.000	23.421	5.000	5.000	5.000	5.000	20.000
General and administrative	4.871	4.024	3.482	3.505	15.882	3.549	2.447	2.196	6.036	14.228	2.904	2.500	2.500	2.500	10.404	2.500	2.500	2.500	2.500	10.000
Restructuring and other					0.000					0.000					0.000					0.000
Total operating expenses	18.098	8.141	7.640	5.813	39.692	3.952	7.603	7.992	13.186	32.732	11.325	7.500	7.500	7.500	33.825	7.500	7.500	7.500	7.500	30.000
Operating income (loss)	**(17.795)**	**(7.838)**	**(7.336)**	**(2.911)**	**(35.880)**	**(3.180)**	**(6.831)**	**(7.220)**	**(12.414)**	**(29.644)**	**(10.257)**	**(6.750)**	**(6.750)**	**(6.750)**	**(30.507)**	**(6.900)**	**(6.900)**	**(6.900)**	**(6.900)**	**(27.600)**
Interest income (expense)	(0.489)	(1.244)	(1.746)	(2.147)	(5.626)	(0.718)	(0.921)	(1.147)	(1.105)	(3.891)	(1.121)	(1.000)	(1.000)	(1.000)	(4.121)	(1.000)	(1.000)	(1.000)	(1.000)	(4.000)
Other income (expense)	(0.810)	1.036	3.751	(1.995)	1.982	(16.979)	(0.806)	(0.717)	0.372	(18.132)	1.486				1.486					0.000
Income before income taxes	(19.094)	(8.046)	(5.331)	(7.053)	(39.524)	(20.877)	(8.558)	(9.085)	(13.147)	(51.667)	(9.892)	(7.750)	(7.750)	(7.750)	(33.142)	(7.900)	(7.900)	(7.900)	(7.900)	(31.600)
Income taxes	0.004			0.498	0.502	(3.151)			(0.498)	(3.648)		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net income (loss)	(19.098)	(8.046)	(5.331)	(7.550)	(40.026)	(17.726)	(8.558)	(9.085)	(12.650)	(48.019)	(9.892)	(7.750)	(7.750)	(7.750)	(33.142)	(7.900)	(7.900)	(7.900)	(7.900)	(31.600)
Nonrecurring/noncash adjustments					0.000	13.746				13.746	3.008				3.008					0.000
Net income (pro forma)	**(19.098)**	**(8.046)**	**(5.331)**	**(7.550)**	**(40.026)**	**(3.980)**	**(8.558)**	**(9.085)**	**(12.650)**	**(34.273)**	**(6.884)**	**(7.750)**	**(7.750)**	**(7.750)**	**(30.134)**	**(7.900)**	**(7.900)**	**(7.900)**	**(7.900)**	**(31.600)**
EBITDA																				
Shares, Basic	2.900	2.965	3.055	3.088	3.003	3.125	3.217	4.318	9.000	4.932	9.844	11.750	22.250	22.370	16.553	22.470	22.570	22.670	22.770	22.620
Shares, Diluted	2.900	2.975	3.055	3.088	3.005	3.125	3.217	4.318	9.000	4.932	9.844	11.750	22.250	22.370	16.553	22.470	22.570	22.670	22.770	22.620
EPS Basic (Pro forma)	**($6.59)**	**($2.71)**	**($1.74)**	**($2.45)**	**($13.33)**	**($1.27)**	**($2.66)**	**($2.10)**	**($1.41)**	**($6.95)**	**($0.70)**	**($0.66)**	**($0.35)**	**($0.35)**	**($1.82)**	**($0.35)**	**($0.35)**	**($0.35)**	**($0.35)**	**($1.40)**
EPS Diluted (Pro forma)	($6.59)	($2.70)	($1.74)	($2.45)	($13.32)	($1.27)	($2.66)	($2.10)	($1.41)	($6.95)	($0.70)	($0.66)	($0.35)	($0.35)	($1.82)	($0.35)	($0.35)	($0.35)	($0.35)	($1.40)
Margins																				
Gross margin	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Research and development	4364%	1358%	1372%	80%	625%	52%	668%	751%	926%	599%	789%	667%	667%	667%	706%	833%	833%	833%	833%	833%
General and administrative	1607%	1328%	1149%	121%	417%	460%	317%	284%	782%	461%	272%	333%	333%	333%	314%	417%	417%	417%	417%	417%
Operating margin	-5870%	-2586%	-2420%	-100%	-941%	-412%	-885%	-935%	-1608%	-960%	-961%	-900%	-900%	-900%	-920%	-1150%	-1150%	-1150%	-1150%	-1150%
Tax rate, GAAP	0%	0%	0%	-7%	-1%	15%	0%	0%	4%	7%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net margin	-6300%	-2654%	-1759%	-260%	-1050%	-2296%	-1109%	-1177%	-1639%	-1555%	-927%	-1033%	-1033%	-1033%	-999%	-1317%	-1317%	-1317%	-1317%	-1317%
Y/Y % change																				
Total Revenue										-19%	38%	-3%	-3%	-3%	7%	-44%	-20%	-20%	-20%	-28%
Gross margin										-19%	38%	-3%	-3%	-3%	7%	-44%	-20%	-20%	-20%	-28%
Research and development										-22%	1993%	-3%	-14%	-30%	27%	-41%	0%	0%	0%	-15%
General and administrative										-10%	-18%	2%	14%	-59%	-27%	-14%	0%	0%	0%	-4%
Operating income (loss)										-17%	223%	-1%	-7%	-46%	3%	-33%	2%	2%	2%	-10%
Net income (loss)										20%	-44%	-9%	-15%	-39%	-31%	-20%	2%	2%	2%	-5%
EPS Diluted (Pro forma)										-48%	-45%	-75%	-83%	-75%	-74%	-50%	-47%	0%	0%	-23%

Source: Company reports and Ascendiant Capital Markets estimates. *Reflects a 1:8 reverse stock split announced in March 2019*

Outlook Therapeutics, Inc.

Balance Sheet ($ mils)	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20
Fiscal Year End: September 30	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	2.079	0.081	0.140	3.186	13.838	5.936	11.797	1.717	0.228	5.176	27.726	20.276	11.568	3.968	(3.632)	(10.769)
Short term investments										0.000	0.000	0.000	0.000	0.000	0.000	0.000
Accounts receivable, net										0.000	0.000	0.000	0.000	0.000	0.000	0.000
Deferred income taxes										0.000	0.000	0.000	0.000	0.000	0.000	0.000
Prepaid expenses and other	1.096	0.774	1.048	0.719	1.512	0.982	1.336	1.585	2.078	0.938	0.938	0.938	0.750	0.750	0.750	0.750
Total current assets	3.175	0.855	1.188	3.905	15.350	6.918	13.132	3.302	2.306	6.114	28.664	21.214	12.318	4.718	(2.882)	(10.019)
Long term securities/investments										0.000	0.000	0.000	0.000	0.000	0.000	0.000
Property and equipment, net	16.441	15.786	15.138	16.089	16.306	20.177	20.284	18.490	15.942	15.842	15.742	15.642	15.542	15.442	15.342	15.242
Intangibles, net										0.000	0.000	0.000	0.000	0.000	0.000	0.000
Deferred income tax										0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other	0.831	0.819	0.801	0.740	0.621	0.692	0.669	0.491	0.462	0.462	0.462	0.462	0.462	0.462	0.462	0.000
Total assets	**20.446**	**17.460**	**17.127**	**20.734**	**32.277**	**27.787**	**34.086**	**22.283**	**18.710**	**22.418**	**44.868**	**37.318**	**28.323**	**20.623**	**12.923**	**5.223**
Liabilities and stockholders' equity																
Accounts payable	11.049	12.153	11.792	10.954	3.630	3.608	3.351	3.610	4.696	3.299	3.299	3.299	2.639	2.639	2.639	2.639
Accrued expenses	7.342	7.420	7.623	7.337	5.439	5.038	6.119	6.458	4.521	3.176	3.176	3.176	2.541	2.541	2.541	2.541
Deferred revenue	1.213	1.213	1.213	3.088	2.750	2.676	2.207	1.739	2.393	2.393	2.393	2.393	2.393	2.393	2.393	2.393
Deferred income tax	1.855	1.855	1.855	2.352	2.352	2.352	2.352	1.856	1.856	1.856	1.856	1.856	1.856	1.856	1.856	1.856
Other										2.000	5.000	5.000	5.000	5.000	5.000	5.000
Short term debt	10.671	12.138	16.786	5.006	17.031	18.078	18.233	18.379	14.070	14.070	14.070	14.070	14.070	14.070	14.070	14.070
Total current liabilities	**32.129**	**34.778**	**39.268**	**28.738**	**31.201**	**31.752**	**32.263**	**32.042**	**27.536**	**26.794**	**29.794**	**29.794**	**28.499**	**28.499**	**28.499**	**28.499**
Deferred income taxes										0.000	0.000	0.000	0.000	0.000	0.000	0.000
Warrant liabilities	4.129	3.855	1.457	2.275	2.196	1.984	2.049	1.227	1.058	1.058	1.058	1.058	1.058	1.058	1.058	1.058
Deferred revenue	4.850	4.547	4.244	4.467	4.032	3.335	3.061	2.758	4.701	4.701	4.701	4.701	4.701	4.701	4.701	4.701
Other long term liabilities	0.866	0.912	0.900	2.570	2.559	2.347	2.358	3.515	3.398	3.398	3.398	3.398	3.398	3.398	3.398	3.398
Long term debt	0.304	0.221	0.200	13.411	0.186	3.639	3.619	3.552	3.487	3.487	3.487	3.487	3.487	3.487	3.487	3.487
Total other liabilities	**10.149**	**9.536**	**6.801**	**22.723**	**8.973**	**11.305**	**11.087**	**11.052**	**12.643**	**12.643**	**12.643**	**12.643**	**12.643**	**12.643**	**12.643**	**12.643**
Preferred stock				2.924	19.852	20.957	3.935	4.734	4.885	4.885	4.885	4.885	4.885	4.885	4.885	4.885
Common stock	0.236	0.241	0.247	0.249	0.255	0.257	0.722	0.722	0.851	1.051	1.251	1.451	1.651	1.851	2.051	2.251
Additional paid-in capital	144.425	147.442	150.676	152.315	160.130	159.191	190.186	190.040	202.493	202.493	202.493	202.493	202.493	202.493	202.493	202.493
Retained earnings	(166.492)	(174.537)	(179.864)	(186.215)	(188.136)	(195.676)	(204.108)	(216.307)	(229.698)	(237.448)	(245.198)	(252.948)	(260.848)	(268.748)	(276.648)	(284.548)
Treasury stock										0.000	0.000	0.000	0.000	0.000	0.000	0.000
Accumulated other comprehensive income										0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other										12.000	39.000	39.000	39.000	39.000	39.000	39.000
Total stockholders' equity	**(21.832)**	**(26.854)**	**(28.942)**	**(30.727)**	**(7.898)**	**(15.270)**	**(9.265)**	**(20.811)**	**(21.469)**	**(17.019)**	**2.431**	**(5.119)**	**(12.819)**	**(20.519)**	**(28.219)**	**(35.919)**
Total stockholders' equity and liabil	**20.446**	**17.460**	**17.127**	**20.734**	**32.277**	**27.787**	**34.086**	**22.283**	**18.710**	**22.418**	**44.868**	**37.318**	**28.323**	**20.623**	**12.923**	**5.223**

Balance Sheet Drivers

	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	362%	255%	346%	25%	196%	127%	173%	205%	195%	125%	125%	125%	125%	125%	125%	125%
Accounts payable as % of total rev	3645%	4009%	3890%	377%	470%	467%	434%	468%	440%	440%	440%	440%	440%	440%	440%	440%
Accrued expenses as % of total rev	2422%	2448%	2515%	253%	705%	653%	793%	837%	423%	423%	423%	423%	423%	423%	423%	423%
Activity Ratios																
A/R Days Sales Outstanding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Book & Cash Value (per share)																
Book Value per Share (diluted)	-$7.53	-$9.06	-$9.47	-$9.95	-$2.53	-$4.75	-$2.15	-$2.31	-$2.18	-$1.45	$0.11	-$0.23	-$0.57	-$0.91	-$1.24	-$1.58
Cash per Share (diluted)	$0.72	$0.03	$0.05	$1.03	$4.43	$1.85	$2.73	$0.19	$0.02	$0.44	$1.25	$0.91	$0.51	$0.18	-$0.16	-$0.47
Net cash per Share (diluted)	-$3.07	-$4.14	-$5.51	-$4.93	-$1.08	-$4.91	-$2.33	-$2.25	-$1.76	-$1.05	$0.46	$0.12	-$0.27	-$0.60	-$0.93	-$1.24

Source: Company reports and Ascendiant Capital Markets estimates

Outlook Therapeutics, Inc.

Cash Flow Statement ($ mils)	Dec-16	Mar-17	Jun-17	Sep-17	2017	Dec-17	Mar-18	Jun-18	Sep-18	2018	Dec-18	Mar-19	Jun-19	Sep-19	2019	Dec-19	Mar-20	Jun-20	Sep-20	2020
Fiscal Year End: September 30	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Cash flow from operating activities																				
Net income	(19.098)	(8.046)	(5.331)	(6.373)	(38.849)	(1.921)	(7.540)	(8.432)	(12.200)	(30.092)	(9.742)	(7.750)	(7.750)	(7.750)	(32.992)	(7.900)	(7.900)	(7.900)	(7.900)	(31.600)
Depreciation	0.670	0.680	0.672	0.670	2.692	0.677	0.731	0.822	0.824	3.054	0.823	0.500	0.500	0.500	2.323	0.500	0.500	0.500	0.500	2.000
Amortization					0.000					0.000					0.000					0.000
Debt related amortization expen	0.141	0.837	1.332	1.705	4.015	1.832	0.391	0.230	0.115	2.568	0.450				0.450					0.000
Stock comp	2.464	2.327	2.121	1.659	8.571	1.890	(0.300)	0.234	0.162	1.986	0.872	0.200	0.200	0.200	1.472	0.200	0.200	0.200	0.200	0.800
Deferred income taxes					0.000					0.000		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Provision for bad debts					0.000					0.000					0.000					0.000
Change in fair value of warrant l	0.810	(1.036)	(3.751)	0.818	(3.158)	(0.079)	(0.212)	0.065	(0.822)	(1.048)	(1.636)				(1.636)					0.000
Writedowns and impairments					0.000					0.000	2.349				2.349					0.000
Other gains/losses				0.062	0.062				4.174	4.174					0.000					0.000
Other					0.000					0.000					0.000					0.000
Changes in operating assets and liabilities:																				
Accounts receivable					0.000					0.000		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Prepaid expenses & other curre	2.231	0.322	(0.274)	0.329	2.608	(0.793)	0.530	(0.344)	(0.813)	(1.420)	(0.073)	1.140	0.000	0.000	1.067	0.188	0.000	0.000	0.000	0.188
Income tax				0.498	0.498				(0.496)	(0.496)					0.000					0.000
Other assets	0.022	0.012	0.018	0.061	0.112	0.015	(0.071)	0.023	0.035	0.002	0.022	0.000	0.000	0.000	0.022	0.000	0.000	0.000	0.462	0.462
Accounts payable	5.899	1.075	(0.312)	(0.934)	5.727	(6.950)	0.040	(1.093)	1.288	(6.714)	(0.260)	(1.397)	0.000	0.000	(1.658)	(0.660)	0.000	0.000	0.000	(0.660)
Accrued expenses	1.220	(0.027)	0.203	(0.503)	0.894	(2.560)	(0.024)	0.483	0.436	(1.665)	(1.419)	(1.345)	0.000	0.000	(2.764)	(0.635)	0.000	0.000	0.000	(0.635)
Deferred revenue	(0.303)	(0.303)	(0.303)	2.098	1.188	(0.772)	(0.772)	(0.742)	(0.772)	(3.058)	(1.053)	0.000	0.000	0.000	(1.053)	0.000	0.000	0.000	0.000	0.000
Other liabilities	0.104	0.048	(0.008)	(0.008)	0.136	(0.011)	(0.212)	0.218	(0.327)	(0.331)	(0.137)	2.000	3.000	0.000	4.863	0.000	0.000	0.000	0.000	0.000
Net cash (used in) provided by	**(5.842)**	**(4.110)**	**(5.633)**	**0.080**	**(15.505)**	**(8.671)**	**(7.439)**	**(8.535)**	**(8.394)**	**(33.040)**	**(9.804)**	**(6.652)**	**(4.050)**	**(7.050)**	**(27.555)**	**(8.308)**	**(7.200)**	**(7.200)**	**(6.738)**	**(29.445)**
Cash flow from investing activities																				
Purchases of property and equi	(0.148)	(0.044)	(0.076)	(0.024)	(0.292)	(1.075)	(0.275)	(0.168)	(1.263)	(2.781)	(0.236)	(0.400)	(0.400)	(0.400)	(1.436)	(0.400)	(0.400)	(0.400)	(0.400)	(1.600)
Purchases of short-term investments					0.000					0.000					0.000					0.000
Acquisitions					0.000					0.000					0.000					0.000
Other					0.000					0.000					0.000					0.000
Net cash used in investing acti	**(0.148)**	**(0.044)**	**(0.076)**	**(0.024)**	**(0.292)**	**(1.075)**	**(0.275)**	**(0.168)**	**(1.263)**	**(2.781)**	**(0.236)**	**(0.400)**	**(0.400)**	**(0.400)**	**(1.436)**	**(0.400)**	**(0.400)**	**(0.400)**	**(0.400)**	**(1.600)**
Cash flow from financing activities																				
Issuance of debt					0.000					0.000	(3.358)	0.000	0.000	0.000	(3.358)	0.000	0.000	0.000	0.000	0.000
Repayment of debt	(2.852)	(0.293)	(0.290)	(0.273)	(3.709)	(1.339)	(0.188)	(0.292)	(0.261)	(2.080)					0.000					0.000
Issuance of stock	8.350	2.330	5.928	3.263	19.870	21.737		14.856	(0.161)	36.432	11.886	0.000	0.000	0.000	11.886	0.000	0.000	0.000	0.000	0.000
Repurchase of common stock					0.000					0.000					0.000					0.000
Proceeds from stock option exe	0.003	0.120	0.130		0.253					0.000					0.000					0.000
Other	0.216				0.216					0.000		12.000	27.000		39.000					0.000
Dividends and distributions					0.000					0.000					0.000					0.000
Cash provided by (used in) fina	**5.717**	**2.156**	**5.768**	**2.990**	**16.631**	**20.398**	**(0.188)**	**14.564**	**(0.422)**	**34.353**	**8.528**	**12.000**	**27.000**	**0.000**	**47.528**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
Effect of exchange rate on cash					0.000					0.000	0.022				0.022					0.000
Net increase (decrease) in cash	**(0.273)**	**(1.997)**	**0.059**	**3.046**	**0.834**	**10.652**	**(7.902)**	**5.861**	**(10.079)**	**(1.468)**	**(1.490)**	**4.948**	**22.550**	**(7.450)**	**18.559**	**(8.708)**	**(7.600)**	**(7.600)**	**(7.138)**	**(31.045)**
Beginning cash and equivalents	**2.352**	**2.079**	**0.081**	**0.140**	**2.352**	**3.186**	**13.838**	**5.936**	**11.797**	**3.186**	**1.717**	**0.228**	**5.176**	**27.726**	**1.717**	**20.276**	**11.568**	**3.968**	**(3.632)**	**20.276**
Ending cash and equivalents	**2.079**	**0.081**	**0.140**	**3.186**	**3.186**	**13.838**	**5.936**	**11.797**	**1.717**	**1.717**	**0.228**	**5.176**	**27.726**	**20.276**	**20.276**	**11.568**	**3.968**	**(3.632)**	**(10.769)**	**(10.769)**

Source: Company reports and Ascendiant Capital Markets estimates

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Total return is defined as price appreciation plus dividend yield.

Ascendiant Capital Markets, LLC Rating System

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Total return is defined as price appreciation plus dividend yield.

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			Investment Banking Services Past 12 months	
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Total	37	100%	9	24%

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