



IGC Pharma, Inc.

Reports Q3 results. We believe expected positive clinical data in mid-2024 to be strong catalysts for stock. Raising P/T to \$3.00.

COMPANY UPDATE

Rating: BUY

Ticker: IGC

Price: \$0.29

Target: \$3.00
(from \$2.75)

Reports Q3 results: IGC recently (on February 16) reported its fiscal Q3 2024 (ending December) results. Revenue was \$0.2 million, compared to our estimate of \$0.4 million. Net loss was \$5.6 million or EPS of \$(0.09), which compared with our estimates of \$(0.04). There was no Q3 guidance or consensus estimates. IGC is an early/clinical stage drug development company so it generates minimal revenue.

Operating expenses: Operating expenses were \$3.1 million, vs. \$2.7 million in Q2 FY24 mainly due to one-time impairment charges in Q3.

No guidance: Management did not provide forward guidance, but we believe ~\$3 million to be a reasonable near term quarterly cash burn rate.

Adjusting estimates: We are adjusting our FY24 estimates for revenue to \$1.2 million, from \$1.5 million, and for EPS to \$(0.22) from \$(0.16).

Focus on Alzheimer's: IGC has 5 novel therapeutic drug candidates for Alzheimer's disease (AD), with two of them in later stage of development (IGC-AD1 which is in clinical trials and TGR-63). Alzheimer's disease is a progressive neurologic disease that causes brain cells to die and memory or other cognitive impairments. Alzheimer's is the leading cause of dementia, a decline in mental functions that negatively affects a person's ability to function independently.

IGC-AD1: IGC-AD1 has shown significant promise in preclinical studies. In Alzheimer's cell lines, IGC-AD1 has demonstrated the potential to effectively suppress or ameliorate two key hallmarks of Alzheimer's disease: plaques and tangles. In a Phase 1 multiple ascending dose (MAD) trial, it exhibited potential efficacy in reducing neuropsychiatric symptoms, including agitation, anxiety, and depression. IGC-AD1 is currently in a Phase 2B, multi-center, randomized, double-blind, placebo-controlled trial, specifically designed to address agitation in dementia from Alzheimer's disease.

TGR-63: TGR-63, which is in preclinical study and evaluation, is a non-cannabinoid small molecule that has shown promise in pre-clinical trials for reducing amyloid burden in an Alzheimer's disease model.

Large market potential: Of the ten most fatal diseases in the U.S., Alzheimer's is the only one with no known cure, ability to slow progression, or means of prevention. Currently available drugs for the treatment of Alzheimer's provide limited and transient effects on cognition. There are 6.2 million Americans currently living with it, and that is estimated to grow to 13 million by 2050. It is estimated that the cost of caring for people with Alzheimer's and other dementias in the U.S. will increase from an estimated \$305 billion in 2020 to a projected \$1.1 trillion per year by 2050.

Spring 2024 Top-Line data: The company is expected to announce major clinical trials news in Spring 2024, its Top-Line data for its Phase 2B trial for IGC-AD1. We believe strong positive data will likely be catalysts for the stock.

Balance sheet: In Q3, the company had \$1 million in cash and no debt. We believe the company has enough cash into Q3 FY25 (December 2024). The company does have a credit line with O-Bank, to borrow up to \$12 million.

Positive high risks versus high rewards: Despite the long road ahead, we believe the billion dollars market potential presents high rewards for the risks.

Current valuation attractive: We are maintaining our BUY rating, but raising our 12-month price target to \$3.00 from \$2.75, based on a NPV analysis, representing significant upside from the current share price. We believe this valuation fairly balances out the high risks with large upside opportunities.

Company Description

Based in Potomac, MD, IGC Pharma is a clinical-stage pharmaceutical company developing novel therapies to treat, cure, or prevent Alzheimer's disease.

United States
Healthcare

February 20, 2024

Edward Woo, CFA
(561) 327-9435
ewoo@ascendant.com

Stock Data

Exchange:	NYSE
52-week Range:	0.25 – 0.49
Shares Outstanding (million):	64
Market cap (\$million):	\$19
EV (\$million):	\$18
Debt (\$million):	\$0
Cash (\$million):	\$1
Avg. Daily Trading Vol. (\$million):	\$0.2
Float (million shares):	51
Short Interest (million shares):	1
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2024E</u> (Cur.)	<u>2024E</u> (Old)	<u>2025E</u> (Cur.)	<u>2025E</u> (Old)
Q1 Jun	0.6A		0.6E	
Q2 Sep	0.3A		0.3E	
Q3 Dec	0.2A	0.4E	0.2E	0.5E
Q4 Mar	<u>0.2E</u>		<u>0.2E</u>	
Total	1.2E	1.5E	1.4E	1.7E
EV/Revs	15x		13x	

Earnings per Share (pro forma)

	<u>2024E</u> (Cur.)	<u>2024E</u> (Old)	<u>2025E</u> (Cur.)	<u>2025E</u> (Old)
Q1 Jun	(0.04)A		(0.04)E	
Q2 Sep	(0.05)A		(0.04)E	
Q3 Dec	(0.09)A	(0.04)E	(0.04)E	
Q4 Mar	<u>(0.04)E</u>		<u>(0.04)E</u>	
Total	(0.22)E	(0.16)E	(0.16)E	(0.15)E
P/E	N/A		N/A	

Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 15.

Exhibit 1: IGC Pharma, Inc. Corporate Overview



IGCPHARMA

COMPANY OVERVIEW



- ✓ Our focus is treating **Alzheimer's disease (AD)** through our growing pipeline of **five drug assets**
- ✓ **Lead therapeutic candidate IGC-AD1 is currently in a 146-person Phase 2b trial for agitation in dementia due to Alzheimer's.** IGC-AD1 is a CB1r partial agonist that reduces neuroinflammation and restores neurotransmitter imbalance
- ✓ TGR-63 and three other candidates have demonstrated in Alzheimer's cell lines the potential to **ameliorate plaques and/or tangles, two hallmarks of Alzheimer's**

Source: Company reports.

Exhibit 2: IGC Pharma Investment Highlights

INVESTMENT HIGHLIGHTS

- ✓ Two Patented and three patent pending investigational drug candidates targeting Alzheimer's
 - ✓ All showing favorable pre-clinical attributes towards Alzheimer's disease pathology
 - ✓ IGC-AD1 is currently in Phase 2B with data milestones expected in mid-2024
 - ✓ Leading artificial intelligence partnerships
- Manufacturing and production facilities
- Clean capital structure

Source: Company reports.

Exhibit 3: IGC Pharma Pipeline Overview

AD PIPELINE OVERVIEW

ASSET	PRECLINICAL	PHASE 1	PHASE 2	PHASE 3	MILESTONE
IGC-AD1	TARGETS neuroinflammation, neurotransmitter imbalance, inflammasome-3 and AD pathology				Topline data Spring 2024
TGR-63	TARGETS A β PLAQUES (Early- Moderate Stage Alzheimer's)				Tox study data mid 2024
LMP	TARGETS neuroinflammation, neurotransmitter imbalance, inflammasome-3 and AD pathology				Bio Equivalence to IGC-AD1 2025
IGC-M3	TARGETS A β PLAQUE AGGREGATION (Early Alzheimer's)				Tox study late 2024
IGC-1C	TARGETS TAU AND NEUROFIBRILLARY TANGLES				Tox study mid 2025

Source: Company reports.

Exhibit 4: Alzheimer's Disease

OVERVIEW OF ALZHEIMER'S DISEASE

Alzheimer's Disease



Key Statistics:

7th leading cause of death in the United States

Between 2000 and 2019, deaths from heart disease have **decreased 7.3%** while deaths from Alzheimer's Disease have **increased 145%**

13 million Americans are projected to be living with Alzheimer's Disease by 2050

1-in-9 Americans over the age of 65 are estimated to be afflicted with Alzheimer's Disease



Alzheimer's Disease:

Alzheimer's Disease is an **irreversible, progressive brain disorder** that **slowly destroys memory and cognitive skills**, and eventually the **ability to carry out the simplest tasks**.

In most people with Alzheimer's Disease, symptoms first appear in their early to mid-60's. Estimates vary, but experts suggest that more than **6.5 million Americans** may have Alzheimer's Disease, considered by many as "**the most feared**" disease.

Alzheimer's Disease has **no current cure**, but five treatments for symptoms are available today while research continues.

Source: Alzheimer's Association and Alzamed Neuro, Inc.

Exhibit 5: Biomarkers of Alzheimer's Disease

Biomarkers of Alzheimer's Disease

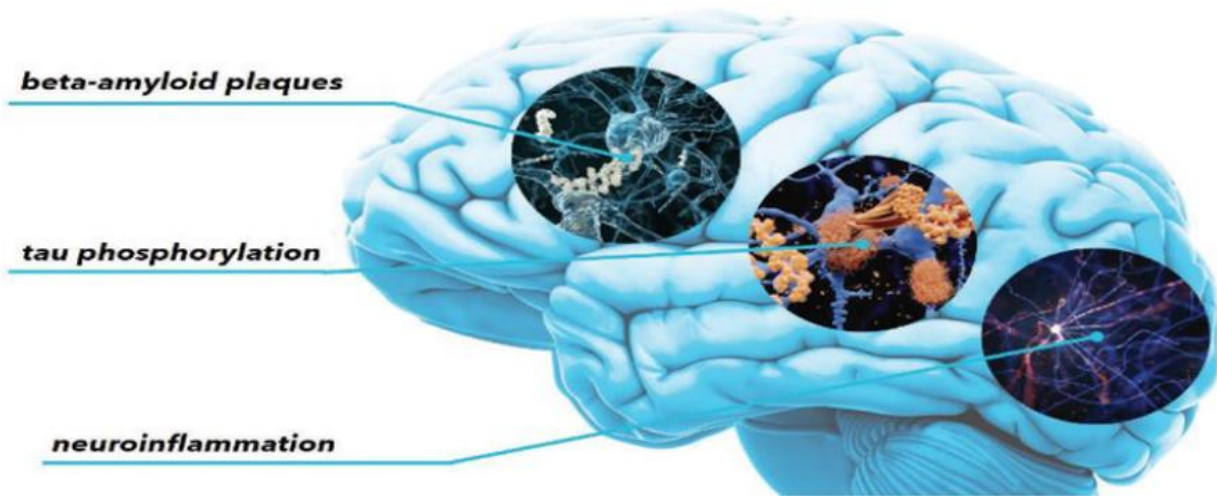


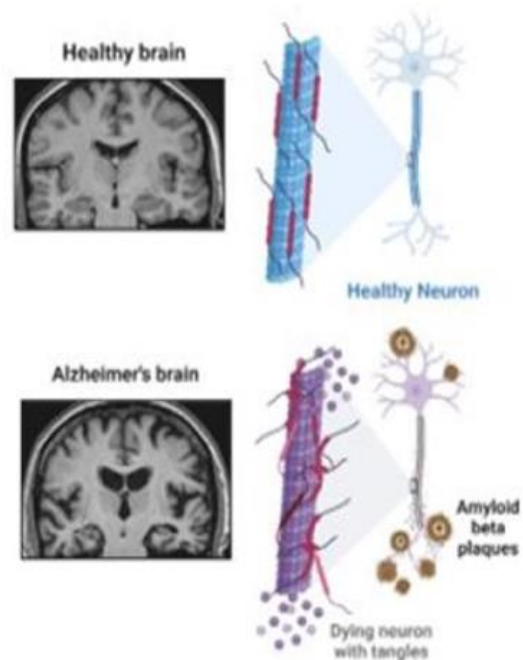
Figure 1: Hallmarks of Alzheimer's

- Extracellular Plaque: β -amyloid ($A\beta$)
- Tau Neurofibrillary Tangles (NTFs).

Causes loss of neurons & critical neuronal connections.

Also linked to Alzheimer's:

- Metabolism disruption
- Mitochondrial dysfunction
- Neuroinflammation



Source: Alzamed Neuro, Inc. and Company report.

Exhibit 6: What is Alzheimer's Disease?



Alzheimer's is a brain disease that causes problems with memory, thinking and behavior.

The brain has three main parts:



The **cerebrum** fills up most of your skull. It is involved in remembering, problem solving, thinking, and feeling. It also controls movement.



The **cerebellum** sits at the back of your head, under the cerebrum. It controls coordination and balance.



The **brain stem** sits beneath your cerebrum in front of your cerebellum. It connects the brain to the spinal cord and controls automatic functions such as breathing, digestion, heart rate and blood pressure.

Alzheimer's Changes the Whole Brain

Alzheimer's disease leads to nerve cell death and tissue loss throughout the brain. Over time, the brain shrinks dramatically, affecting nearly all its functions.

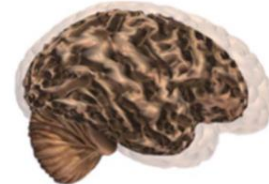
These images show:



A brain without the disease.



A brain with advanced Alzheimer's.



How the two brains compare.

Source: Alzheimer's Association.

Exhibit 7: Agitation in Alzheimer's

AGITATION IN ALZHEIMER'S

Agitation: excessive motor activity, verbal aggression, or physical aggression that is severe enough to impair personal relationships, social functioning, and/or daily activities¹.

Agitation starts early in AD and increases in severity as the disease progresses².

40-80% of Alzheimer's patients suffer from agitation³

Agitation is associated with 4:

- ✓ Higher admission rate to assisted living facilities
- ✓ Higher use of medications
- ✓ Long-term hospitalization
- ✓ Higher mortality
- ✓ In 2023 the FDA-approved Brexpiprazole to treat agitation in AD dementia - a repurposed atypical anti-psychotic with a black box warning

Source: Company reports.

Exhibit 8: IGC-AD1

OUR SOLUTION

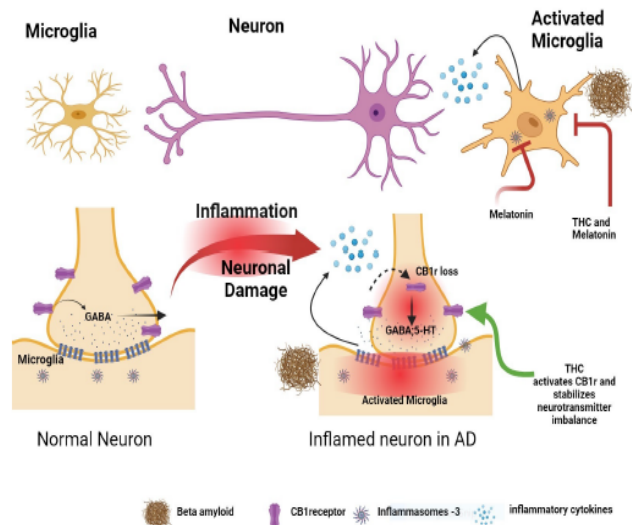
The Promise of IGC-AD1

A patent-protected compound in Phase 2B trials that targets agitation in Alzheimer's disease

Two APIs that target neuroinflammation, neurotransmitter imbalance, CB1r agonism and inflammasome-3, all implicated in agitation in AD

IGC-AD1 can potentially reduce agitation, and also act on Alzheimer's pathology (plaques, tangles) making it a significantly more powerful alternative

IGC-AD1 would be a treatment option that is not an antipsychotic with a black box warning



IGC-AD1 contains two APIs that are safer than traditional antipsychotic therapies.

Source: Company reports.

Exhibit 9: IGC-AD1 Phase 1 Data (December 2021)

**IGC-AD1 PHASE I
CLINICAL TRIAL,
DATA**

Multiple Ascending Dose (MAD) study to evaluate safety and tolerability of IGC-AD1 in participants with AD & NPS (Neuropsychiatric Symptoms) using the NPI (Neuropsychiatric Inventory)



Safety, Tolerability, Agitation, NPS

- ✓ No life-threatening or serious adverse events at any dosing level
- ✓ Decrease in agitation by 36% - 66% depending on dosage (NPI agitation scale)
- ✓ Decrease in depression by 67% - 75% depending on dosage (NPI depression scale)
- ✓ Phase 1 findings show IGC-AD1 has potential to treat NPS in AD

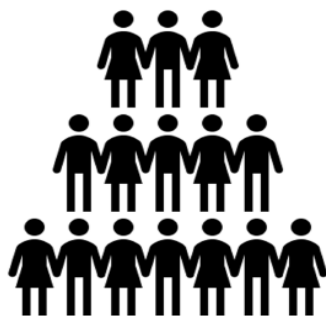
Source: Company reports.

Exhibit 10: Ongoing IGC-AD1 Phase 2B Trial

ON GOING IGC-AD1 PHASE IIb

Placebo Controlled, Double Blind, Randomized, Multi Site

Phase IIb protocol seeks to show that IGC-AD1 is effective, compared to placebo, in lowering agitation in participants with Alzheimer's



Objective

- ✓ Evaluate if IGC-AD1 is superior to placebo in reducing agitation in a six-week trial

Key Inclusion Criteria

- ✓ Individuals 60 years and above
- ✓ Diagnosis of AD with established and persistent agitation

Sites

- ✓ 20-30 trial sites

TARGET: 146 Participants

Source: Company report.

Exhibit 11: TGR-63

AD DRUG CANDIDATE 2

TGR-63

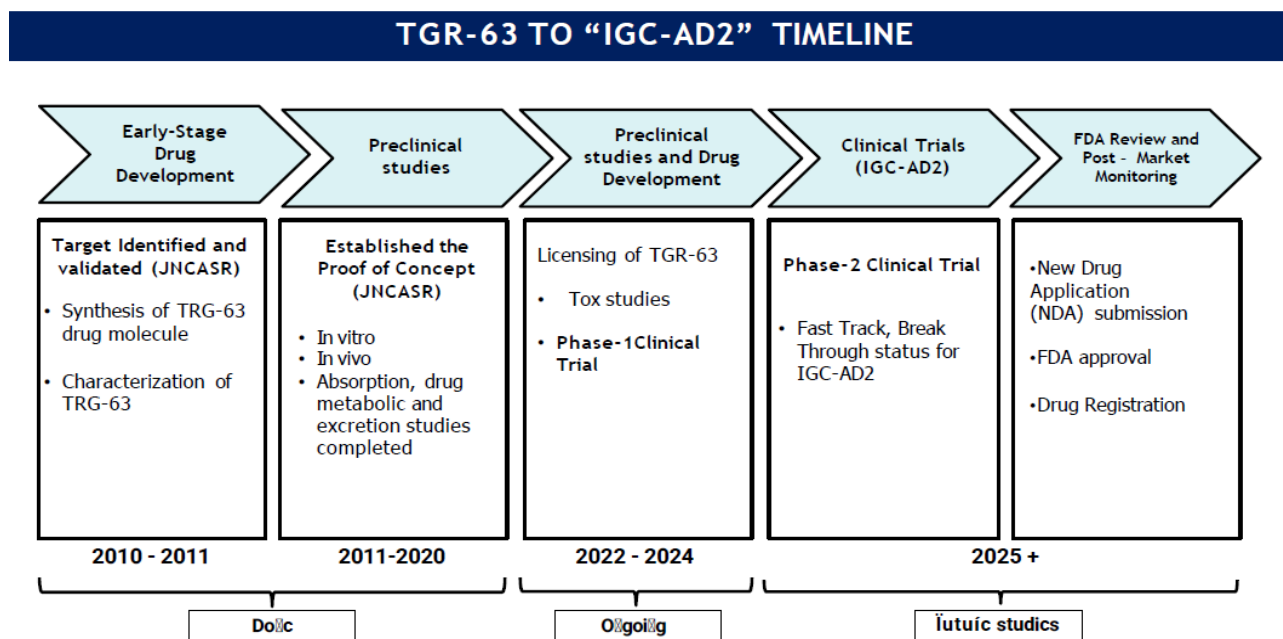
Background

TGR-63 A BREAKTHROUGH MOLECULE

- India-based Jawaharlal Nehru Centre for Advanced Scientific Research (JNCASR) created the TGR-63 molecule
- IGC acquired exclusive rights to TGR-63 from JNCASR researchers in 2022
- Pre-clinical testing demonstrates that TGR-63 holds potential to ameliorate plaque due to AD
- Behavioral tests with AD (APP/PS1) mice show that TGR-63 can:
 - ✓ Rescue neuronal cells from amyloid toxicity
 - ✓ Minimize learning deficiency, memory impairment & cognitive decline
- Current status: Toxicology and other studies leading to Phase 1 trials in progress

Source: Company report.

Exhibit 12: TGR-63 Product Development Timeline



Source: Company report.

Exhibit 13: Q3 FY2024 Financial Report (as of February 16, 2024)

POTOMAC, MD. February 16, 2024 / IGC Pharma, Inc. ("IGC" or the "Company") (NYSE American: IGC) today announced its financial results for the third fiscal quarter of 2024 ended December 31, 2023 (Q3 FY 2024).

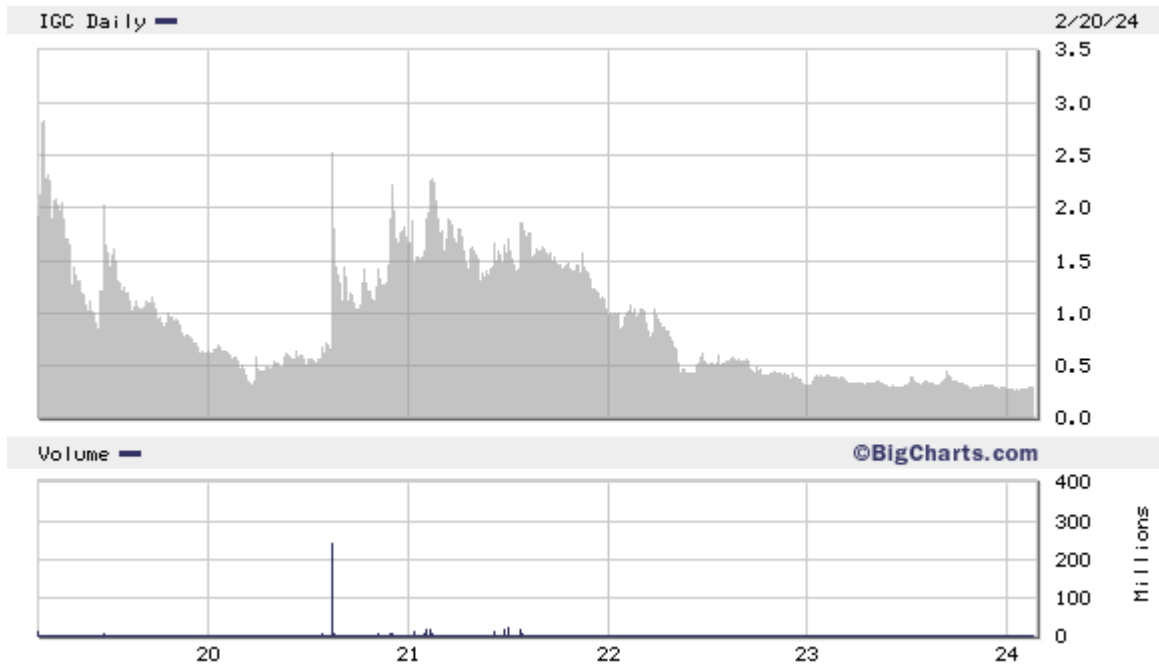
Q3 FY2024 Highlights

- On October 18, 2023, the European Patent Office ("EPO") issued a patent (#3193862) to the Company titled "Cannabinoid Composition and Method for Treating Pain". The patent introduces a method for treating pain in humans. Utilizing a cream base infused with a unique blend of cannabinoids, including THC and CBD, alongside other compounds, this revolutionary cream, or gel is designed for transdermal absorption.
- On October 25, 2023, the Divisional Direction of Patents, Mexico, issued a patent (MX/a/2020/010284) for the Company's treatment of Alzheimer's disease titled "Method and Composition for Treating CNS Disorder." IGC is optimistic that the success in Mexico can pave the way for additional patent approvals in the U.S. and Europe. This patent is very important to the Company as it provides protection for the Company's IGC-AD1 formulation.
- On November 21, 2023, the Company announced an agreement with the University of Los Andes, a leading South American University, to advance initiatives in artificial intelligence/machine learning.

"We are proud to share that our company is making progress with our lead asset, IGC-AD1, which is currently in a Phase 2b trial for the treatment of agitation in dementia due to Alzheimer's. We are working hard to obtain interim results in 2024. We estimate that in North America and Europe about 11 million Alzheimer's patients have neuropsychiatric symptoms including agitation. With modest pricing and conservative market penetration IGC-AD1 can potentially be a block buster drug," said Ram Mukunda, CEO of IGC Pharma.

Source: Company reports.

Exhibit 14: IGC Pharma, Inc. Stock Price (5-years)



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

FINANCIAL MODEL

IGC Pharma, Inc.

Income Statement (\$ mils)	2021	Jun-21	Sep-21	Dec-21	Mar-22	2022	Jun-22	Sep-22	Dec-22	Mar-23	2023	Jun-23	Sep-23	Dec-23	Mar-24	2024	Jun-24	Sep-24	Dec-24	Mar-25	2025
Fiscal Year End: March 31	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	0.898	0.077	0.056	0.142	0.122	0.397	0.212	0.202	0.332	0.165	0.911	0.555	0.291	0.204	0.193	1.243	0.622	0.329	0.231	0.218	1.399
Cost of Revenues	0.785	0.051	0.018	0.080	0.054	0.203	0.070	0.067	0.230	0.102	0.469	0.300	0.117	0.071	0.077	0.565	0.249	0.132	0.092	0.087	0.560
Gross Profit	0.113	0.026	0.038	0.062	0.068	0.194	0.142	0.135	0.102	0.063	0.442	0.255	0.174	0.133	0.116	0.678	0.373	0.197	0.138	0.131	0.839
Research & development	0.929	0.444	0.276	0.377	1.233	2.330	1.394	0.768	0.806	0.493	3.461	0.747	1.268	0.903	1.300	4.218	1.300	1.300	1.300	1.300	5.200
Sales, general & administrative	7.908	1.776	4.110	2.070	5.336	13.292	1.550	1.855	1.574	3.573	8.552	1.647	1.397	2.228	1.500	6.772	1.500	1.500	1.500	1.500	6.000
Restructuring and other						0.000					0.000					0.000					0.000
Total operating expenses	8.837	2.220	4.386	2.447	6.569	15.622	2.944	2.623	2.380	4.066	12.013	2.394	2.665	3.131	2.800	10.990	2.800	2.800	2.800	2.800	11.200
Operating income (loss)	(8.724)	(2.194)	(4.348)	(2.385)	(6.501)	(15.428)	(2.802)	(2.488)	(2.278)	(4.003)	(11.571)	(2.139)	(2.491)	(2.998)	(2.684)	(10.312)	(2.427)	(2.603)	(2.662)	(2.669)	(10.361)
Interest income (expense)						0.000					0.000				(0.005)	(0.005)	(0.043)	(0.043)	(0.043)	(0.043)	(0.171)
Other income (expense)	(0.087)	0.406	0.004	0.004	(0.002)	0.412	0.017	0.046	0.029	(0.027)	0.065	0.064	0.040	(2.591)	0.000	(2.487)	0.000	0.000	0.000	0.000	0.000
Income before income taxes	(8.811)	(1.788)	(4.344)	(2.381)	(6.503)	(15.016)	(2.785)	(2.442)	(2.249)	(4.030)	(11.506)	(2.075)	(2.451)	(5.589)	(2.689)	(12.804)	(2.470)	(2.645)	(2.704)	(2.712)	(10.531)
Income taxes						0.000					0.000					0.000					0.000
Net income (loss)	(8.811)	(1.788)	(4.344)	(2.381)	(6.503)	(15.016)	(2.785)	(2.442)	(2.249)	(4.030)	(11.506)	(2.075)	(2.451)	(5.589)	(2.689)	(12.804)	(2.470)	(2.645)	(2.704)	(2.712)	(10.531)
Nonrecurring/noncash adjustments						0.000					0.000					0.000					0.000
Net income (pro forma)	(8.811)	(1.788)	(4.344)	(2.381)	(6.503)	(15.016)	(2.785)	(2.442)	(2.249)	(4.030)	(11.506)	(2.075)	(2.451)	(5.589)	(2.689)	(12.804)	(2.470)	(2.645)	(2.704)	(2.712)	(10.531)
EBITDA																					
Shares, Basic	42.0	47.9	49.9	51.1	51.1	50.0	51.6	52.2	53.1	53.4	52.6	53.1	54.3	63.7	64.0	58.8	64.5	65.0	66.0	67.0	65.6
Shares, Diluted	42.0	47.9	49.9	51.1	51.1	50.0	51.6	52.2	53.1	53.4	52.6	53.1	54.3	63.7	64.0	58.8	64.5	65.0	66.0	67.0	65.6
EPS Basic (pro forma)	(\$0.21)	(\$0.04)	(\$0.09)	(\$0.05)	(\$0.13)	(\$0.30)	(\$0.05)	(\$0.05)	(\$0.04)	(\$0.08)	(\$0.22)	(\$0.04)	(\$0.05)	(\$0.09)	(\$0.04)	(\$0.22)	(\$0.04)	(\$0.04)	(\$0.04)	(\$0.04)	(\$0.16)
EPS Diluted (pro forma)	(\$0.21)	(\$0.04)	(\$0.09)	(\$0.05)	(\$0.13)	(\$0.30)	(\$0.05)	(\$0.05)	(\$0.04)	(\$0.08)	(\$0.22)	(\$0.04)	(\$0.05)	(\$0.09)	(\$0.04)	(\$0.22)	(\$0.04)	(\$0.04)	(\$0.04)	(\$0.04)	(\$0.16)
Margins																					
Gross margin	13%	34%	68%	44%	56%	49%	67%	67%	31%	38%	49%	46%	60%	65%	60%	55%	60%	60%	60%	60%	60%
Research & development	103%	577%	493%	265%	1011%	587%	658%	380%	243%	299%	380%	135%	436%	443%	673%	339%	209%	395%	564%	596%	372%
Sales, general & administrative	881%	2306%	7339%	1458%	4374%	3348%	731%	918%	474%	2165%	939%	297%	480%	1092%	777%	545%	241%	456%	651%	688%	429%
Operating margin	-971%	-2849%	-7764%	-1680%	-5329%	-3886%	-1322%	-1232%	-686%	-2426%	-1270%	-385%	-856%	-1470%	-1390%	-830%	-390%	-792%	-1155%	-1224%	-741%
Tax rate, GAAP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net margin	-981%	-2322%	-7757%	-1677%	-5330%	-3782%	-1314%	-1209%	-677%	-2442%	-1263%	-374%	-842%	-2740%	-1393%	-1030%	-397%	-804%	-1173%	-1243%	-753%
YY % change																					
Total Revenue						-56%	175%	261%	134%	35%	129%	162%	44%	-39%	17%	36%	12%	13%	13%	13%	13%
Gross margin						72%	446%	255%	65%	-7%	128%	80%	29%	30%	84%	53%	46%	13%	4%	13%	24%
Research & development						151%	214%	178%	114%	-60%	49%	-46%	65%	12%	164%	22%	74%	3%	44%	0%	23%
Sales, general & administrative						68%	-13%	-55%	-24%	-33%	-36%	6%	-25%	42%	-58%	-21%	-9%	7%	-33%	0%	-11%
Operating income (loss)						77%	28%	-43%	-4%	-38%	-25%	-24%	0%	32%	-33%	-11%	13%	4%	-11%	-1%	0%
Net income (loss)						70%	56%	-44%	-6%	-38%	-23%	-25%	0%	149%	-33%	11%	19%	8%	-52%	1%	-18%
EPS Diluted (pro forma)						43%	45%	-46%	-9%	-41%	-27%	-28%	-4%	107%	-44%	0%	-2%	-10%	-53%	-4%	-26%

Source: Company reports and Ascendant Capital Markets estimates.

ANALYST CERTIFICATION

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

IGC Pharma, Inc.

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

IMPORTANT DISCLOSURES

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

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

Following are some general risks that can adversely impact future operational and financial performance and share price valuation: (1) industry fundamentals with respect to legislation, mandates, incentives, customer demand, or product pricing; (2) issues relating to competing companies or products; (3) unforeseen developments with respect to management, financial condition or accounting policies or practices; or (4) external factors that affect the interest rates, currency, the economy or major segments of the economy. Past performance is not a guide to future performance, future returns are not guaranteed, and loss of original capital may occur. Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors. Our report is disseminated primarily electronically, and, in some cases, in printed form. The information contained in this report is not incorporated into the contents of our website and should be read independently thereof. Copyright Ascendant Capital Markets, LLC. No part of this material may be copied, photocopied or duplicated by any means or redistributed without the prior written consent of Ascendant Capital Markets, LLC.

Risks & Considerations

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

Ascendant 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.

Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of January 15, 2024)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	52	98%	20	38%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	53	100%	20	38%

Other Important Disclosures

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

Dissemination of Research

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

General Disclaimer

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

Additional Disclosures

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