

Alzamend Neuro, Inc.

Q1 about inline. Expect positive clinical trials progress in FY23 for AL001 and AL002 for Alzheimer's to drive stock. Lowering P/T to \$7.25.

COMPANY UPDATE

Rating: BUY

Ticker: ALZN

Price: \$1.25

Target: \$7.25
(from \$7.50)

Q1 about inline: Alzamend recently (on September 13) reported its fiscal Q1 2023 (ending July) results. Net loss was \$3.0 million or EPS of \$(0.03), which compared with our and consensus estimates for \$(0.04) – (0.07). There was no Q1 guidance. Alzamend is an early/clinical stage drug development company so it generates no revenue.

Operating expenses: Operating expenses were \$3.0 million, down from \$3.9 million in Q4 FY22 on lower S&A expenses.

No guidance: Management did not provide forward guidance, but we believe ~\$4 million to be a reasonable near term quarterly cash burn rate.

Adjusting estimates slightly: We are adjusting our FY23 EPS estimate to \$(0.16) from \$(0.17).

Focus on Alzheimer's: Alzamend has two novel therapeutic drug candidates for Alzheimer's disease. 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. 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.

AL001: AL001 is a patented ionic cocrystal technology delivering a therapeutic combination of lithium, proline, and salicylate to help combat Alzheimer's by preventing cognitive deficits, depression, irritability, and improving associative learning and memory.

AL002: AL002 is a patented method using a mutant peptide sensitized cell as a cell-based therapeutic vaccine that seeks to restore the ability of a patient's immunological system to combat Alzheimer's.

Current Phase 2 clinical trial for AL001: In December 2021, the company announced positive topline data from its Phase 1 clinical trial for AL001. The Phase 1 first-in-human study was to study the pharmacokinetics, safety and tolerability of AL001 so as to target doses for a planned Phase 2 multiple ascending dose study in Alzheimer's patients. In May, the company initiated a Phase 2 study for AL001 involving Alzheimer's patients with topline data expected in December 2022. In July, the company received positive Pre-IND response from FDA for AL001 for the treatment of Bipolar Disorder, Major Depressive Disorder, and Post-Traumatic Stress Disorder.

AL002 IND in September: In September 2021, the company received positive feedback from its pre-IND meeting request to the FDA for AL002. The company plans to submit the IND for AL002 in September (this month and current Q2 FY23), with clinical trials to start shortly after.

Clinical trials can be catalyst: Alzamend anticipates starting/finishing its various clinical trials over the next year (in FY23). We believe achieving key milestones and positive data will likely be catalysts for the stock.

Positive high risks versus high rewards: Alzamend's 2 drugs have long development roads and the high risks of clinical trials failures, but we believe the ~billion dollars market potential presents high rewards for the risks.

Current valuation attractive: We are maintaining our BUY rating, but lowering our 12-month price target to \$7.25 from \$7.50, 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 Atlanta, GA, Alzamend Neuro is a clinical-stage biopharmaceutical company focused on discovering and developing novel medicines to prevent, treat, and cure Alzheimer's.

Stock Data

Exchange:	NasdaqCM
52-week Range:	\$0.80 – 3.57
Shares Outstanding (million):	98
Market cap (\$million):	\$123
EV (\$million):	\$111
Debt (\$million):	\$0
Cash (\$million):	\$12
Avg. Daily Trading Vol. (\$million):	\$1
Float (million shares):	62
Short Interest (million shares):	1
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2023E</u> (Cur.)	<u>2023E</u> (Old)	<u>2024E</u> (Cur.)	<u>2024E</u> (Old)
Q1 Jul	0A	0E	0E	
Q2 Oct	0E		0E	
Q3 Jan	0E		0E	
Q4 Apr	0E		0E	
Total	0E		0E	
EV/Revs	N/A		N/A	

Earnings per Share (pro forma)

	<u>2023E</u> (Cur.)	<u>2023E</u> (Old)	<u>2024E</u> (Cur.)	<u>2024E</u> (Old)
Q1 Jul	(0.03)A	(0.04)E	(0.04)E	
Q2 Oct	(0.04)E		(0.04)E	
Q3 Jan	(0.04)E		(0.04)E	
Q4 Apr	(0.04)E	(0.05)E	(0.04)E	
Total	(0.16)E	(0.17)E	(0.17)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 14.

Exhibit 1: Alzamend Neuro Overview

INTRODUCTION

Company Overview



Company History

Early clinical-stage biopharmaceutical company dedicated to:

- Researching, developing and commercializing **preventions, treatments and cures** for neurodegenerative diseases and psychiatric disorders.
- Working on **two therapeutics** licensed from the **University of South Florida Research Foundation, Inc.**, one of the top 20 institutions in the nation for patented research and their portfolio of proprietary solutions.

Current Pipeline

AL001 (aka LISPRO):

- an **ionic cocrystal ("ICC") of lithium** for the potential treatment of **Alzheimer's Disease, BD, MDD and PTSD**.

AL002 (aka E22W):

- a **cell-based therapeutic vaccine** that seeks to **restore** the ability of the patients' **immunological system** to combat Alzheimer's Disease.

Source: Company reports.

Exhibit 2: 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: Company reports.

Exhibit 3: Alzamend Neuro Product Pipeline (as of August 2022)

INTRODUCTION

Company Overview

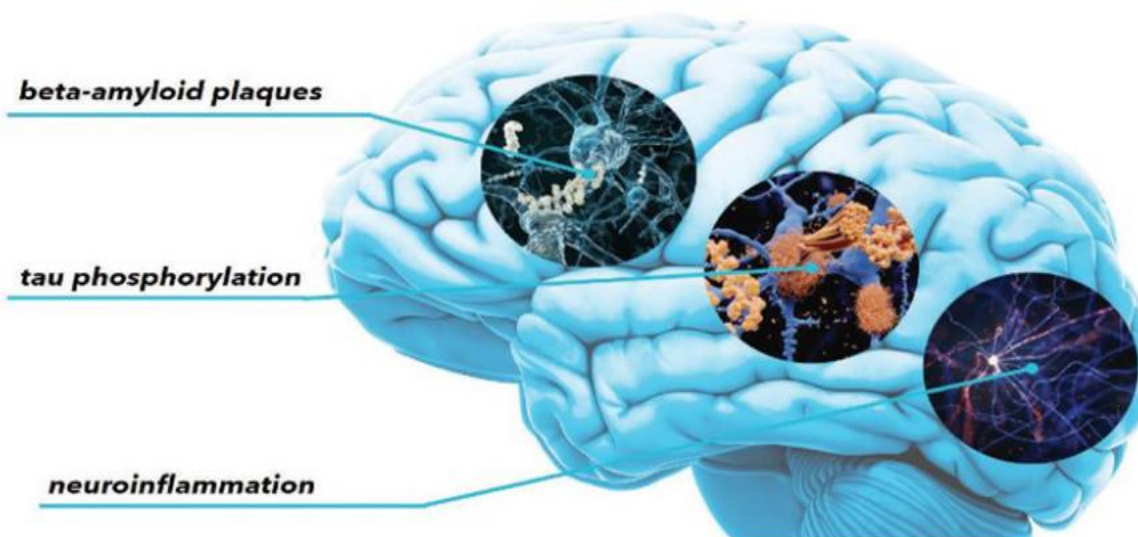


Product Candidate	Indication	Pre-Clinical	Phase I	Phase II	Phase III	FDA Approval
AL001	• Alzheimer's Disease	Phase IIA commenced in May 2022				
	• Bipolar Disorder	Awaiting results from a Phase IIA Multiple Ascending Dose/ Tolerability Alzheimer's Patient Study to Submit IND to Initiate a Phase II Trial				
	• Major Depressive Disorder	Awaiting results from a Phase IIA Multiple Ascending Dose/ Tolerability Alzheimer's Patient Study to Submit IND to Initiate a Phase II Trial				
	• Post-Traumatic Stress Disorder	Awaiting results from a Phase IIA Multiple Ascending Dose/ Tolerability Alzheimer's Patient Study to Submit IND to Initiate a Phase II Trial				
AL002	• Alzheimer's Disease	IND expected to be submitted in September 2022				

Source: Company reports.

Exhibit 4: Biomarkers of Alzheimer's Disease

Alzamend Neuro, Inc.
Biomarkers of Alzheimer's Disease



Our lead product candidate that we have licensed and will first move to clinical development in humans is an ionic cocrystal of lithium for the treatment of Alzheimer's and other neurodegenerative diseases and psychiatric disorders.

Source: Company reports.

Exhibit 5: What is Alzheimer's Disease?



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.



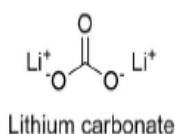
How the two brains compare.

Source: Alzheimer's Association

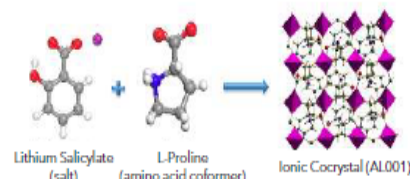
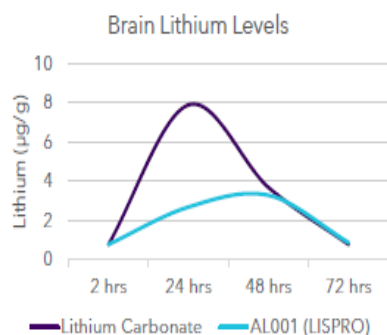
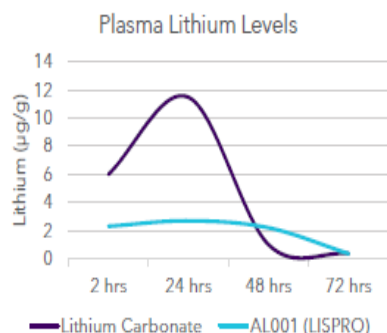
Exhibit 6: AL001 (LISPRO)

OUR SCIENCE - NON-CLINICAL

AL001 (aka LISPRO)



- **Narrow therapeutic window** that requires **regular blood monitoring** of plasma lithium levels and blood chemistry by a clinician **to mitigate adverse events**
- **Multiple administrations** throughout the day are required to safely reach therapeutic plasma concentrations
- **Suffer** from **chronic toxicity**, **poor physicochemical properties** and **poor brain bioavailability**



- AL001 is a patented ionic cocrystal technology delivering a therapeutic combination of **lithium**, **proline** and **salicylate**
- AL001 exhibits **improved non-clinical pharmacokinetics** and **bioavailability** compared to the currently FDA approved lithium drugs on the market
- AL001 exhibits **improved non-clinical brain bioavailability**, without demonstrating an initial spike in lithium concentration that is associated with negative side effects of treatment
- AL001 **nonclinical brain penetration/persistence** may translate to patients resulting in lithium dose sparing properties with enhanced overall safety and reduced or eliminated need for therapeutic drug monitoring.

Source: Company reports.

Exhibit 7: AL001 (LISPRO) Preclinical Studies

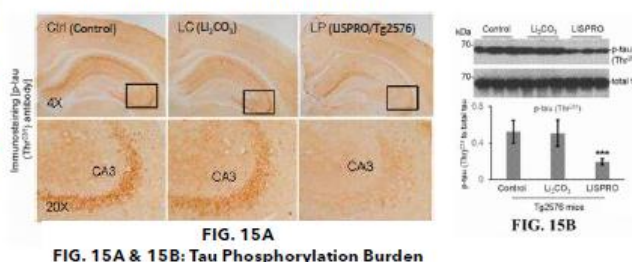
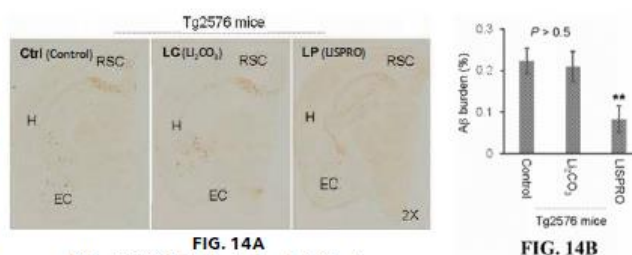
OUR SCIENCE - NON-CLINICAL

AL001 (aka LISPRO)



The results of our preclinical studies, conducted from May 2016 to June 2017, are summarized below:

- AL001 had no effect on renal COX2 activity (Tg-Ctrl vs. AL001: $p > 0.05$), a biomarker of renal toxicity, while markedly **reducing abnormal biomarkers** associated with Alzheimer's Disease by **50%; beta-amyloid pathology, tau phosphorylation and neuro-inflammation** (Tg-Ctrl vs. AL001: $p < 0.01$) (FIGS. 14A/B-15A/B).
- AL001 treatment **did not induce tissue pathological damage in the heart, kidneys, liver or lungs** by a general autopsy (Tg-Ctrl vs. AL001: $p > 0.05$). In contrast, **equimolar doses** (using a similar structure of moles but different active pharmaceutical ingredient) of **lithium carbonate enhanced renal COX2 expression** while **having little or no impact on Alzheimer's Disease pathology** (Tg-Ctrl vs. LC: $p < 0.01$).
- AL001, at the effective dose, **yielded 50% higher lithium levels** (LC vs. AL001; $p < 0.01$) **in the brain** compared with equimolar doses of lithium carbonate (AL001 vs. LC; $p < 0.05$), while producing low nontoxic steady state levels in the body.

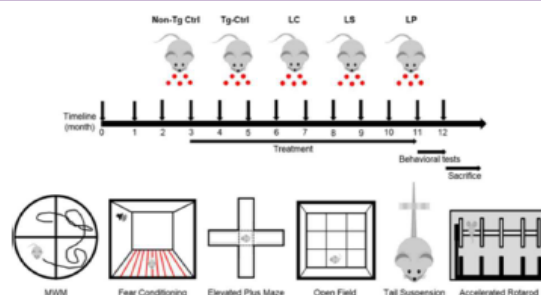


Source: Company reports.

Exhibit 8: AL001 (LISPRO) Preclinical Studies Results

OUR SCIENCE - NON-CLINICAL

AL001 (aka LISPRO)



Our pre-clinical studies encompassed the treatment of **28 transgenic** (or genetically modified) and **10 non-transgenic mice** with lithium carbonate and AL001.

Female APPSWE/PS1dE9 mice at 4 months of age were **orally treated** with LISPRO (LP), Lithium Salicylate (LS), or Lithium Carbonate (LC) for **9 months** followed by **determination of body weight, growth of internal organs, and cognitive and non-cognitive behavior**.

Untreated age-matched non-transgenic littermates served as Wild-Type (WT) controls.

The Results

- No significant differences** in **body weight, brain, heart, lung, spleen, liver or kidney** were found between lithium treated and untreated APPSWE/PS1dE9 cohorts (Tg-Ctrl vs. AL001: $p > 0.05$).
- AL001 treatment **improved cognitive function by 50%** (Tg-Ctrl vs. AL001: $p < 0.01$), in comparison with the control group, through **behavioral tests** administered to mice with Alzheimer's Disease. The tests resulted in **50% lower escape latency** (Tg-Ctrl vs. AL001: $p < 0.01$) during the training and probe trial of the Morris water maze test and **50% longer contextual freezing time** (Tg-Ctrl vs. AL001: $p < 0.05$) during the fear conditioning test.
- AL001 treatment **reduced depression by 25%** (Tg-Ctrl vs. AL001: $p < 0.001$), as assessed by the tail suspension test, and **irritability by 50%** (Tg-Ctrl vs. AL001: $p < 0.01$), as assessed by the touch escape test.
- Continued AL001 treatment **prevented cognitive deficits, depression and irritability** and, compared to lithium carbonate treatments, was **superior in improving associative learning and memory** (LC vs. AL001: $p < 0.05$) and in **reducing irritability** (LC vs. AL001: $p < 0.01$), supporting the potential of this lithium formulation for the treatment of Alzheimer's Disease.

Source: Company reports.

Exhibit 9: AL002 (E22W)

AL002 (CAO22W)



A cell-based therapeutic vaccine which seeks to restore the ability of the patient's immunological system to combat Alzheimer's Disease



Hypothesis:

- AL002 is intended to **elicit an immune response** to **produce anti-amyloid antibodies**, which can then neutralize circulated beta-amyloids and prevent additional plaque build-up.
- AL002 is a **patient-specific therapy** where the patient undergoes leukapheresis, a nonsurgical treatment used to reduce the quantity of white blood cells in the bloodstream, **to isolate peripheral blood monocytes** that are subsequently **matured into dendritic cells ("DCs")** using an **IL4+ GM-CSF cocktail**.
- The **DCs** are **incubated** with a modified amyloid beta (A β) peptide ("**AL002 peptide**") to sensitize them, and then **administered to the same patient**.

Source: Company reports.

Exhibit 10: Overview of AL002 (E22W)

OUR SCIENCE - NON-CLINICAL

Overview of AL002 (aka E22W)

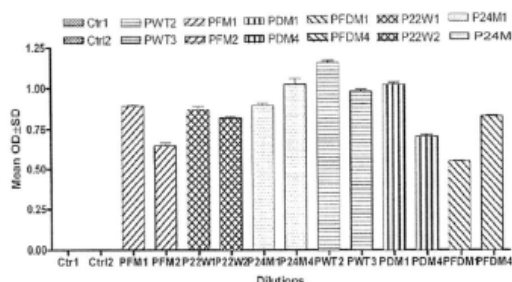


FIG. 5A

- Our goal is to develop an Alzheimer's Abeta vaccine candidate that will be devoid of the problems associated with current vaccine therapies. Our studies concluded the successful vaccination of mice with adjuvant-free mutated beta amyloid peptides have significant advantages over both native beta amyloid and the use of adjuvant.
- 10 weeks old female BALB/c mice were housed in Varian standard cages including amber igloos and vaccinated when 14 weeks old.
- Differently mutated Abeta 1-42 peptides were used for each group and a 1times.PBS (also containing 10% DMSO) as a control group.

The Results

- Mice vaccinated with various mutated Abeta 1-42 peptides **induce antibody responses** after two inoculations, while no antibody can be detected in the control group (FIG. 5A).
- All antibodies induced by the peptide injection **bind to the same epitope**. There is no difference in recognition between the various anti-sera and peptides such that all anti-sera recognize the 1-16 epitope on all peptides.
- Demonstrate definite advantages over previous vaccination protocols, which **strongly support our Adjuvant-Free Vaccine Hypothesis**.
- The data clearly show that wild type and mutated Abeta peptide administrated without adjuvant induce a **strong and long-lasting antibody response**.
- The **first use of adjuvant-free Abeta** as Alzheimer's vaccine and demonstration that T-cell epitope mutation will contribute to either Th1 or Th2 response. Those peptides will have an outstanding promise for the treatment of Alzheimer's Disease.

Source: Company reports.

Exhibit 11: Market Opportunity for AL001 and AL002

COMPETITIVE LANDSCAPE

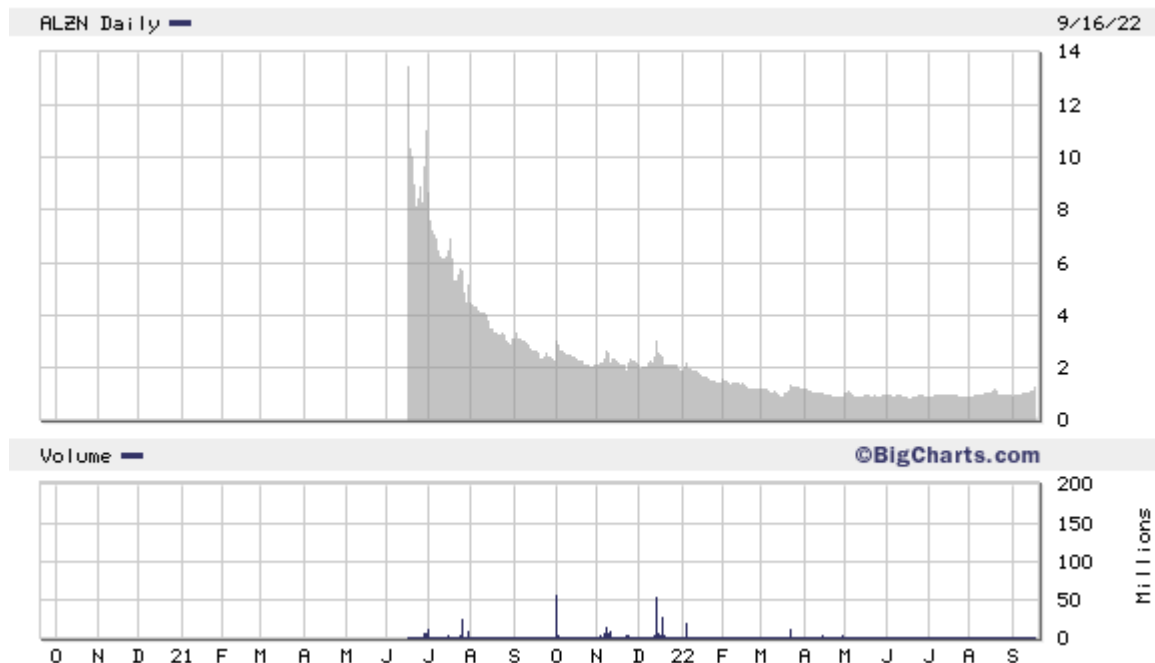
Overview of Market Opportunity for AL001 and AL002



Patient Population	United States	Global (Including US)
MDD	21 Million ¹	280 Million ²
PTSD	9 Million ¹	284 Million ²
Alzheimer's Disease	6.5 Million ¹	55 Million ²
BD	7 Million ¹	45 Million ²
Total Patient Population	43.5 Million	664 Million

Source: Company reports.

Exhibit 12: Alzamend Neuro, Inc. Stock Price (1-year since IPO in June 2021)



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

Exhibit 13: Consensus Expectations (as of September 13, 2022)

Revenue (mil)		EPS	
2023E		2023E	
Q1 Jul	\$0E	Q1 Jul	\$(0.07)E
Q2 Oct	\$0E	Q2 Oct	\$(0.06)E
Q3 Jan		Q3 Jan	
Q4 Apr		Q4 Apr	
Total	\$0E	Total	\$(0.25)E

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

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

FINANCIAL MODEL

Alzamend Neuro, Inc.

Income Statement (\$ mils)	2019	2020	Jul-20	Oct-20	Jan-21	Apr-21	2021	Jul-21	Oct-21	Jan-22	Apr-22	2022	Jul-22	Oct-22	Jan-23	Apr-23	2023	Jul-23	Oct-23	Jan-24	Apr-24	2024
Fiscal Year End: April 30	FY-A	FY-A	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	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Cost of Revenues	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Gross Profit	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Research and development	3.700	1.069	0.309	0.475	0.234	0.293	1.311	0.916	1.750	0.874	1.661	5.201	1.376	2.100	2.200	2.400	8.076	2.100	2.200	2.300	2.400	9.000
General and administrative	1.309	3.355	1.009	0.823	0.881	0.927	3.641	1.390	1.834	1.683	2.212	7.118	1.660	1.800	1.900	2.000	7.360	1.800	1.900	1.900	2.000	7.600
Restructuring and other						0.000						0.000					0.000					0.000
Total operating expenses	5.009	4.424	1.318	1.298	1.116	1.220	4.952	2.306	3.584	2.557	3.873	12.320	3.036	3.900	4.100	4.400	15.436	3.900	4.100	4.200	4.400	16.600
Operating income (loss)	(5.009)	(4.424)	(1.318)	(1.298)	(1.116)	(1.220)	(4.952)	(2.306)	(3.584)	(2.557)	(3.873)	(12.320)	(3.036)	(3.900)	(4.100)	(4.400)	(15.436)	(3.900)	(4.100)	(4.200)	(4.400)	(16.600)
Interest income (expense)	0.146	0.014	0.002	(0.056)	(0.066)	(0.037)	(0.157)	(0.014)	(0.016)	(0.016)	(0.001)	(0.047)	(0.002)	0.000	0.000	0.000	(0.002)	0.000	0.000	0.000	0.000	0.000
Other income (expense)					0.062		0.062				0.004	0.004		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Income before income taxes	(4.862)	(4.410)	(1.317)	(1.354)	(1.119)	(1.257)	(5.047)	(2.320)	(3.600)	(2.573)	(3.869)	(12.362)	(3.037)	(3.900)	(4.100)	(4.400)	(15.437)	(3.900)	(4.100)	(4.200)	(4.400)	(16.600)
Income taxes												0.000		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net income (loss)	(4.862)	(4.410)	(1.317)	(1.354)	(1.119)	(1.257)	(5.047)	(2.320)	(3.600)	(2.573)	(3.869)	(12.362)	(3.037)	(3.900)	(4.100)	(4.400)	(15.437)	(3.900)	(4.100)	(4.200)	(4.400)	(16.600)
Nonrecurring/noncash adjustments												0.000					0.000					0.000
Net income (pro forma)	(4.862)	(4.410)	(1.317)	(1.354)	(1.119)	(1.257)	(5.047)	(2.320)	(3.600)	(2.573)	(3.869)	(12.362)	(3.037)	(3.900)	(4.100)	(4.400)	(15.437)	(3.900)	(4.100)	(4.200)	(4.400)	(16.600)
EBITDA	(4.613)	(2.169)	(0.727)	(0.729)	(0.541)	(0.544)	(2.541)	(1.567)	(2.304)	(1.426)	(2.611)	(7.907)	(2.161)	(3.026)	(3.226)	(3.526)	(11.938)	(3.026)	(3.226)	(3.326)	(3.526)	(13.102)
Shares, Basic	58.8	71.3	72.3	72.3	72.3	72.3	72.7	84.6	93.5	94.2	94.2	89.1	97.5	98.0	98.5	99.0	98.2	99.5	100.0	100.5	101.0	100.3
Shares, Diluted	58.8	71.3	72.3	72.3	72.3	72.3	72.7	84.6	93.5	94.2	94.2	89.1	97.5	98.0	98.5	99.0	98.2	99.5	100.0	100.5	101.0	100.3
EPS Basic (pro forma)	(\$0.08)	(\$0.06)	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.07)	(\$0.03)	(\$0.04)	(\$0.03)	(\$0.04)	(\$0.14)	(\$0.03)	(\$0.04)	(\$0.04)	(\$0.04)	(\$0.16)	(\$0.04)	(\$0.04)	(\$0.04)	(\$0.04)	(\$0.17)
EPS Diluted (pro forma)	(\$0.08)	(\$0.06)	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.07)	(\$0.03)	(\$0.04)	(\$0.03)	(\$0.04)	(\$0.14)	(\$0.03)	(\$0.04)	(\$0.04)	(\$0.04)	(\$0.16)	(\$0.04)	(\$0.04)	(\$0.04)	(\$0.04)	(\$0.17)
Margins																						
Gross margin																						
Research and development																						
General and administrative																						
Operating margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Tax rate, GAAP	0%	0%	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	NM	NM	NM	NM	NM	NM
Y/Y % change																						
Total Revenue																						
Gross margin																						
Research and development		-71%					23%					297%	50%	20%	152%	44%	55%	53%	5%	5%	0%	11%
General and administrative		156%					9%					95%	19%	-2%	13%	-10%	3%	8%	6%	0%	0%	3%
Operating income (loss)		-12%					12%					149%	32%	9%	60%	14%	25%	28%	5%	2%	0%	8%
Net income (loss)		-9%					14%					145%	31%	8%	59%	14%	25%	28%	5%	2%	0%	8%
EPS Diluted (pro forma)		-25%					12%					100%	14%	3%	52%	8%	13%	26%	3%	0%	-2%	5%

Source: Company reports and Ascendant Capital Markets estimates.

Alzamend Neuro, Inc.

Balance Sheet (\$ mils)	Apr-19	Apr-20	Jul-21	Oct-21	Jan-22	Apr-21	Jul-21	Oct-21	Jan-22	Apr-22	Jul-22	Oct-22	Jan-23	Apr-23	Jul-23	Oct-23	Jan-24	Apr-24
Fiscal Year End: April 30	Q4A	Q4A	Q1	Q2	Q3	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																		
Cash and cash equivalents	0.043	0.090				1.929	15.618	13.573	11.790	14.064	11.527	8.502	5.276	1.750	(1.275)	(4.501)	(7.826)	(11.352)
Short term investments												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	1.458	1.724				0.983	1.199	0.928	0.639	0.350	0.588	0.588	0.588	0.588	0.588	0.588	0.588	0.588
Total current assets	1.501	1.814				2.913	16.818	14.501	12.429	14.414	12.115	9.089	5.864	2.338	(0.688)	(3.913)	(7.239)	(10.764)
Property and equipment, net										0.103	0.096	0.089	0.082	0.075	0.067	0.060	0.053	0.046
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												0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total assets	1.501	1.814				2.913	16.818	14.501	12.429	14.516	12.210	9.178	5.945	2.412	(0.620)	(3.853)	(7.185)	(10.718)
Liabilities and stockholders' equity																		
Accounts payable	1.105	0.930				0.504	1.073	1.128	0.465	1.163	1.029	1.029	1.029	1.029	1.029	1.029	1.029	1.029
Accrued expenses	0.079	0.063				0.061	0.061	0.002	0.002	0.002		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												0.000	0.000	0.000	0.000	0.000	0.000	0.000
Short term debt						0.335	0.340	0.345				0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total current liabilities	1.184	0.992				0.900	1.473	1.475	0.467	1.165	1.029	1.029	1.029	1.029	1.029	1.029	1.029	1.029
Deferred income taxes												0.000	0.000	0.000	0.000	0.000	0.000	0.000
Warrant liabilities												0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other long term liabilities												0.000	0.000	0.000	0.000	0.000	0.000	0.000
Long term debt												0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total other liabilities	0.000	0.000				0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Preferred stock	0.000	0.000				0.000						0.000	0.000	0.000	0.000	0.000	0.000	0.000
Common stock	0.006	0.006				0.007	0.009	0.009	0.009	0.010	0.010	0.877	1.744	2.612	3.479	4.346	5.214	6.081
Additional paid-in capital	22.686	27.584				33.722	49.371	50.652	52.162	57.420	58.287	58.287	58.287	58.287	58.287	58.287	58.287	58.287
Retained earnings	(7.376)	(11.786)				(16.832)	(19.152)	(22.752)	(25.325)	(29.194)	(32.232)	(36.132)	(40.232)	(44.632)	(48.532)	(52.632)	(56.832)	(61.232)
Accumulated other comprehensive income												0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other	(15.000)	(14.983)				(14.883)	(14.883)	(14.883)	(14.883)	(14.883)	(14.883)	(14.883)	(14.883)	(14.883)	(14.883)	(14.883)	(14.883)	(14.883)
Total stockholders' equity	0.317	0.822				2.013	15.344	13.025	11.962	13.352	11.182	8.149	4.916	1.384	(1.649)	(4.882)	(8.214)	(11.747)
Total stockholders' equity and liabili	1.501	1.814				2.913	16.818	14.501	12.429	14.516	12.210	9.178	5.945	2.412	(0.620)	(3.853)	(7.185)	(10.718)

Balance Sheet Drivers

	Apr-19	Apr-20	Apr-21	Jul-21	Oct-21	Jan-22	Apr-22	Jul-22	Oct-22	Jan-23	Apr-23	Jul-23	Oct-23	Jan-24	Apr-24
Book & Cash Value (per share)	Q4A	Q4A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Book Value per Share (diluted)	0.01	0.01	0.03	0.18	0.14	0.13	0.14	0.11	0.08	0.05	0.01	(0.02)	(0.05)	(0.08)	(0.12)
Cash per Share (diluted)	0.00	0.00	0.03	0.18	0.15	0.13	0.15	0.12	0.09	0.05	0.02	(0.01)	(0.05)	(0.08)	(0.11)
Net cash per Share (diluted)	0.00	0.00	0.02	0.18	0.14	0.13	0.15	0.12	0.09	0.05	0.02	(0.01)	(0.05)	(0.08)	(0.11)

Source: Company reports and Ascendant Capital Markets estimates

Alzamend Neuro, Inc.

Cash Flow Statement (\$ mils)	2019 FY-A	2020 FY-A	Jul-20 Q1A	Oct-20 Q2A	Jan-21 Q3A	Apr-21 Q4A	2021 FY-A	Jul-21 Q1A	Oct-21 Q2A	Jan-22 Q3A	Apr-22 Q4A	2022 FY-A	Jul-22 Q1A	Oct-22 Q2E	Jan-23 Q3E	Apr-23 Q4E	2023 FY-E	Jul-23 Q1E	Oct-23 Q2E	Jan-24 Q3E	Apr-24 Q4E	2024 FY-E
Cash flow from operating activities																						
Net income	(4.862)	(4.410)	(1.317)	(1.354)	(1.119)	(1.257)	(5.047)	(2.320)	(3.600)	(2.573)	(3.869)	(12.362)	(3.037)	(3.900)	(4.100)	(4.400)	(15.437)	(3.900)	(4.100)	(4.200)	(4.400)	(16.600)
Depreciation											0.004	0.004	0.007	0.007	0.007	0.007	0.028	0.007	0.007	0.007	0.007	0.028
Amortization												0.000					0.000					0.000
Debt related amortization expense	(0.037)			0.050	0.059	0.029	0.138	0.005	0.025	(0.017)		0.013					0.000					0.000
Stock comp	0.396	2.255	0.591	0.569	0.575	0.676	2.411	0.740	1.280	1.131	1.258	4.409	0.867	0.867	0.867	0.867	3.469	0.867	0.867	0.867	0.867	3.469
Deferred income taxes												0.000		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Change in fair value of warrant liability												0.000					0.000					0.000
Writedowns and impairments												0.000					0.000					0.000
Other gains/losses				(0.062)	0.000	(0.062)					(0.004)	(0.004)					0.000					0.000
Other	2.228											0.000					0.000					0.000
Changes in operating assets and liabilities:																						
Prepaid expenses & other current assets	0.215	(0.016)	0.347	0.129	0.129	(0.344)	0.261	(0.216)	0.271	0.289	0.289	0.634	(0.238)	0.000	0.000	0.000	(0.238)	0.000	0.000	0.000	0.000	0.000
Accounts payable	1.015	(0.175)	0.174	0.162	(0.388)	(0.361)	(0.413)	0.569	(0.023)	(0.613)	0.761	0.694	(0.136)	0.000	0.000	0.000	(0.136)	0.000	0.000	0.000	0.000	0.000
Accrued expenses												0.000		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other liabilities												0.000		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net cash (used in) provided by	(1.045)	(2.346)	(0.205)	(0.443)	(0.806)	(1.258)	(2.712)	(1.223)	(2.046)	(1.783)	(1.562)	(6.614)	(2.537)	(3.026)	(3.226)	(3.526)	(12.313)	(3.026)	(3.226)	(3.326)	(3.526)	(13.102)
Cash flow from investing activities																						
Purchases of property and equipment											(0.106)	(0.106)		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Purchases of short-term investments	0.234	0.105	0.101			0.000	0.101					0.000					0.000					0.000
Acquisitions												0.000					0.000					0.000
Other												0.000					0.000					0.000
Net cash used in investing activities	0.234	0.105	0.101	0.000	0.000	0.000	0.101	0.000	0.000	0.000	(0.106)	(0.106)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Cash flow from financing activities																						
Issuance of debt	0.073	0.017	0.062	0.401	0.741	1.148	2.352					0.000		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Repayment of debt	(0.017)	(0.017)	0.015	(0.015)	0.000	(0.002)	(0.002)				(0.059)	(0.059)					0.000					0.000
Issuance of stock	0.236	2.288			0.100	2.000	2.100	14.911	0.000	0.000	4.000	18.911		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Proceeds from stock option exercises								0.000	0.001	0.000	0.001	0.002					0.000					0.000
Other												0.000					0.000					0.000
Dividends and distributions												0.000					0.000					0.000
Cash provided by (used in) financing	0.309	2.288	0.077	0.386	0.841	3.146	4.450	14.912	0.001	0.000	3.942	18.855	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Effect of exchange rate on cash												0.000					0.000					0.000
Net increase (decrease) in cash	(0.502)	0.048	(0.027)	(0.057)	0.035	1.889	1.839	13.689	(2.045)	(1.782)	2.274	12.135	(2.537)	(3.026)	(3.226)	(3.526)	(12.313)	(3.026)	(3.226)	(3.326)	(3.526)	(13.102)
Beginning cash and equivalents	0.545	0.043	0.090	0.063	0.006	0.041	0.090	1.929	15.618	13.573	11.790	1.929	14.064	11.527	8.502	5.276	14.064	1.750	(1.275)	(4.501)	(7.826)	1.750
Ending cash and equivalents	0.043	0.090	0.063	0.006	0.041	1.929	1.929	15.618	13.573	11.790	14.064	14.064	11.527	8.502	5.276	1.750	1.750	(1.275)	(4.501)	(7.826)	(11.352)	(11.352)

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.

Alzamend Neuro, 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 Rating System

Prior to January 31, 2014, ASCM used the following rating system:

Strong Buy: We expect the stock to provide a total return of 30% or more within a 12-month period.

Buy: We expect the stock to provide a total return of between 10% and 30% within a 12-month period.

Neutral: We expect the stock to provide a total return of between minus 10% and plus 10% within a 12-month period.

Sell: We expect the stock to provide a total return of minus 10% or worse within a 12-month period.

Speculative Buy: This rating is reserved for companies we believe have tremendous potential, but whose stocks are illiquid or whose equity market capitalizations are very small, often in the definition of a nano cap (below \$50 million in market cap). In general, for stocks ranked in this category, we expect the stock to provide a total return of 50% or more within a 12-month period. However, because of the illiquid nature of the stock's trading and/or the nano cap nature of the investment, we caution that these investments may not be suitable for all parties.

Total return is defined as price appreciation plus dividend yield.

Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of July 14, 2022)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	41	98%	15	37%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	42	100%	15	36%

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.