United States
Healthcare

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Outlook Therapeutics, Inc.

Q2 about inline. Completed BLA submission to FDA for LYTENAVA. Raising P/T to $7.75.

COMPANY UPDATE

Rating: BUY

Ticker: OTLK

Price: $1.64 (intraday)

Target: $7.75 (from $7.50)

Q2 about inline: Outlook recently (on May 13) reported its Q2 FY22 (ending March) results. EPS of $(0.09) compared with our and consensus estimates of $(0.06). There was no Q2 guidance. Outlook is an early/clinical stage medical device development/commercialization company so it generates minimal revenue.

Operating expense: Operating expenses were $19 million, up $3 million from Q1 mainly due to $3 million in BLA submission fees. Management declined to provide FY22 guidance. However, we believe ~$15 million is a reasonable near term quarterly burn rate.

Adjusting estimates: We are adjusting our FY22 EPS estimate to $(0.31) from $(0.24). We are maintaining our FY23 estimate for revenue of $4 million and EPS of $(0.21).

Q1 2022 BLA submission: Outlook submitted its new BLA (Biologics License Application) to the FDA for ONS-5010 for treatment of wet AMD in Q1 (on March 31).

Positive topline results: In August, Outlook announced positive top-line results from its pivotal Phase 3 NORSE TWO safety and efficacy trial evaluating ONS-5010 for treatment of wet AMD.

Prior positive studies: In March 2021, Outlook reported positive topline results from its NORSE THREE Open-Label Safety Study. In August 2020, Outlook reported topline results from its NORSE 1 study demonstrating safety and efficacy and positive proof-of-concept of ONS-5010 for the treatment of wet age-related macular degeneration (wet AMD).

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

FDA BLA approval should be major positive catalysts: Outlook continues to be on track in its development of ONS-5010. Potential FDA marketing approval may be in late 2022 or early 2023.

Commercial launch in 2023: Pending regulatory approvals, Outlook expects commercial launches shortly after FDA approval (likely to launch early 2023).

More studies planned: Outlook has received agreements from the FDA on three Special Protocol Assessments (SPAs) for three additional clinical trials. These SPAs cover ONS-5010 to treat branch retinal vein occlusion (BRVO), and for the treatment of diabetic macular edema (DME). These studies are planned to initiate in 2023 (after FDA approval for wet AMD).

Balance sheet: Outlook has $59 million in cash and $23 million in debt as of Q2 FY22. In Q1, it raised ~$58 million selling stock (46 million shares at $1.25/share). We believe it has enough cash into mid-FY23.

Valuation attractive: Maintaining our BUY rating, but raising our 12-month price target to $7.75 from $7.50. This is based on a NPV analysis, representing significant upside from the current share price. We believe this valuation appropriately balances out the company's high risks with the company's high growth prospects and large upside opportunities.

Company Description

Based in Iselin, NJ, Outlook Therapeutics is a clinical-stage biopharmaceutical company focused on developing ONS-5010, a proprietary ophthalmic bevacizumab (Avastin) product for the treatment of wet AMD.

Stock Data

Exchange:	NasdaqCM
52-week Range:	$1.19 – 3.27
Shares Outstanding (million):	226
Market cap ($million):	$371
EV ($million):	$335
Debt ($million):	$23
Cash ($million):	$59
Avg. Daily Trading Vol. ($million):	$3
Float (million shares):	110
Short Interest (million shares):	11
Dividend, annual (yield):	$0 (NA%)

Revenues (US$ million)

	2022E (Cur.)	2022E (Old)	2023E (Cur.)	2023E (Old)
Q1 Dec	0A		0E	
Q2 Mar	0A	0E	1E	
Q3 Jun	0E		1E	
Q4 Sep	0E		3E	
Total	**0E**		**4E**	
EV/Revs	N/A		84x	

Earnings per Share (pro forma)

	2022E (Cur.)	2022E (Old)	2023E (Cur.)	2023E (Old)
Q1 Dec	(0.08)A		(0.06)E	(0.05)E
Q2 Mar	(0.09)A	(0.06)E	(0.06)E	
Q3 Jun	(0.07)E	(0.05)E	(0.06)E	(0.05)E
Q4 Sep	(0.07)E	(0.05)E	(0.04)E	(0.05)E
Total	**(0.31)E**	**(0.24)E**	**(0.21)E**	
P/E	N/A		N/A	

Exhibit 1: Outlook's Investment Highlights

Investment Highlights

Submitted U.S. FDA BLA of ONS-5010 (bevacizumab-vikg)[1] an Investigational Therapy for the Treatment of Wet AMD

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

Differentiated Drug Product

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

Potential for 1st FDA Approved Bevacizumab

- ✓ Compelling pivotal data support U.S. FDA BLA submission; filed March 2022
- Launch anticipated Q1 2023
- Provide an economically elegant anti-VEGF solution for patients, payers and doctors

Attractive Market Opportunity

- Over 50% of the U.S. market available for conversion to ONS-5010 representing billions in yearly sales
- 12-years US regulatory exclusivity expected
- Label expansion opportunity into DME and BRVO

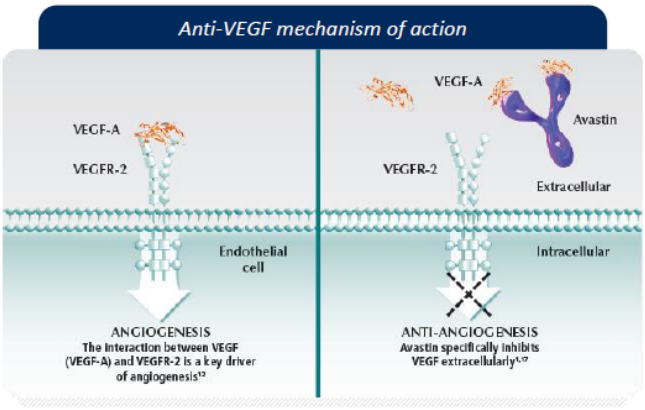
Source: Company reports.

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

Standard of Care in Wet AMD

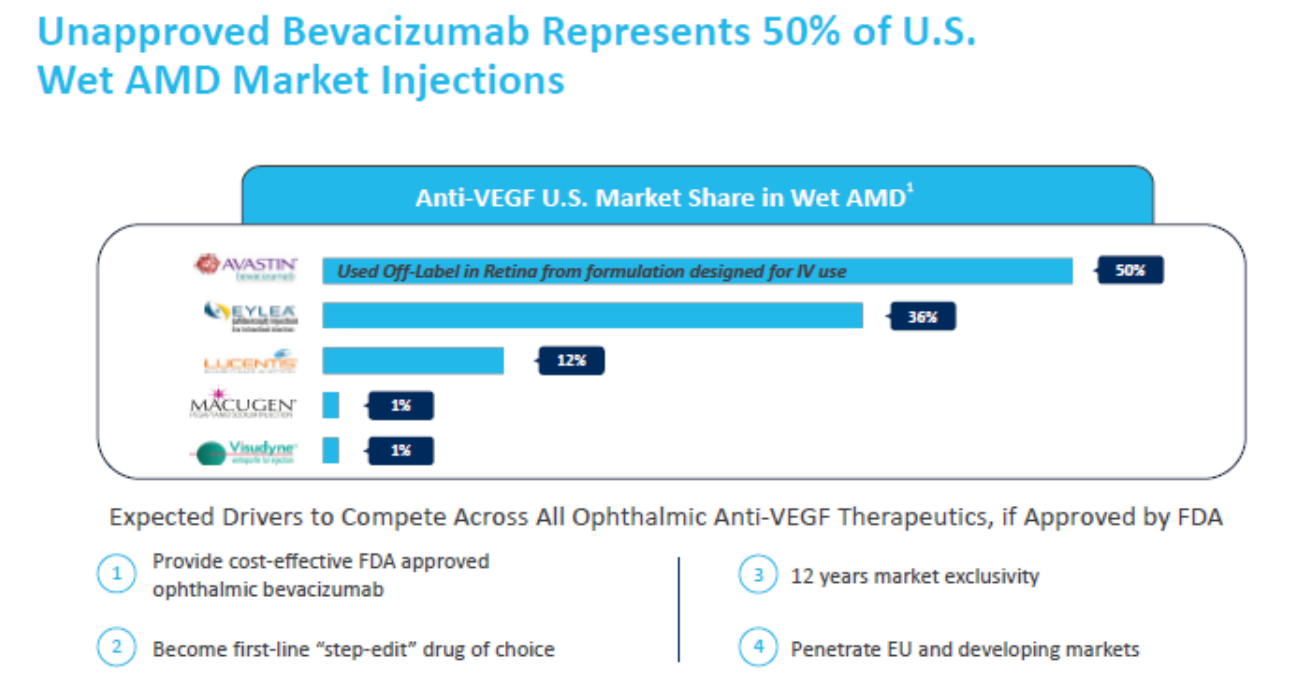
ONS-5010 / LYTENAVA™, if approved, will be the first on-label ophthalmic formulation of bevacizumab-vikg

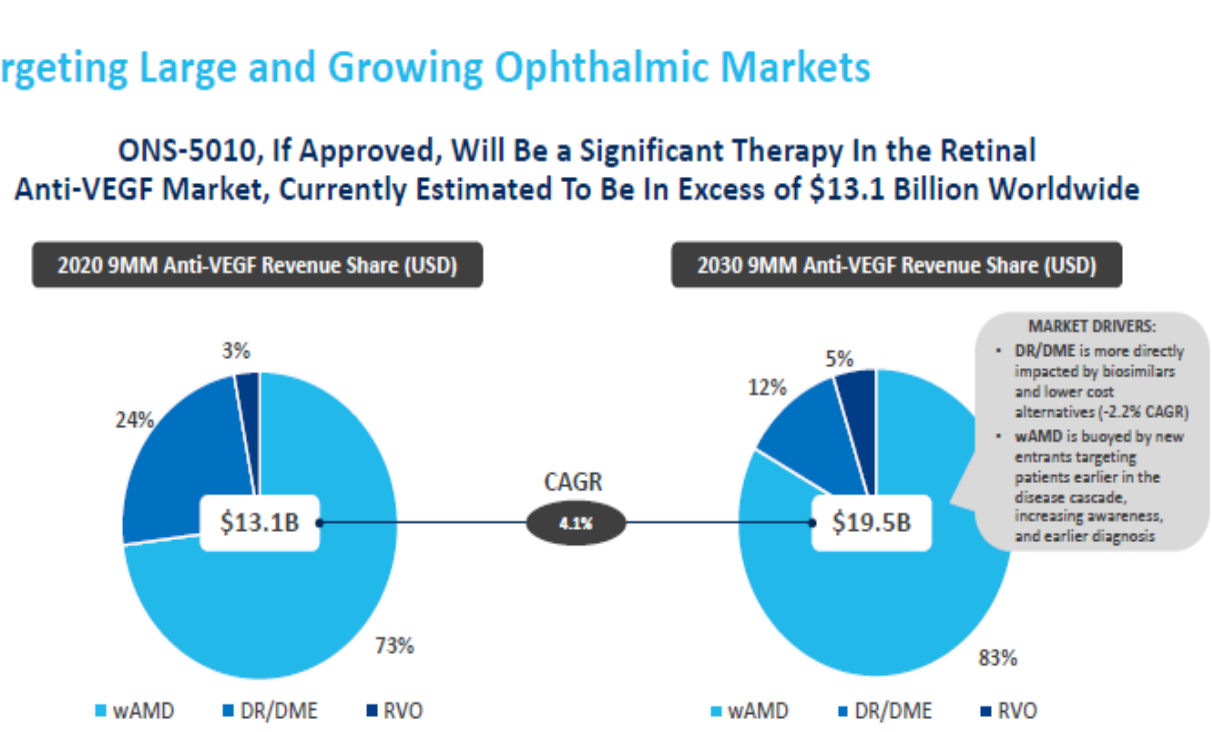
- ❑ Anti-VEGF drugs have been standard of care since 2006
  - Block growth of abnormal blood vessels and leakage of fluid from the vessels behind the retina
- ❑ Several new clinical-stage anti-VEGF drugs, including biosimilars, in development and/or recently approved
  - Require significant time and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



Source: Company reports.

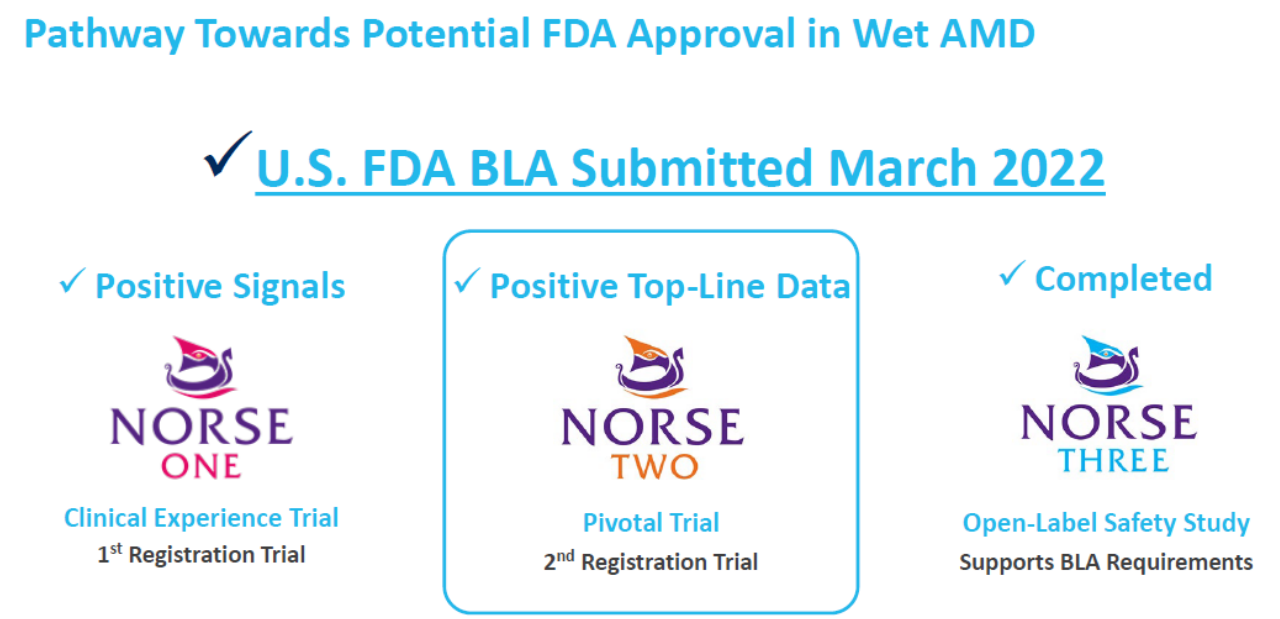
Exhibit 3: ONS-5010 (LYTENAVA) Market Opportunities





Source: Company reports.

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



Source: Company reports.

Exhibit 5: ONS-5010 (LYTENAVA) Commercial Strategy

Source: Company reports.

Exhibit 6: Recent Highlights and Upcoming Milestones (as of Q2 FY22)

Recent Corporate Highlights

- Successfully submitted a BLA for ONS-5010, an investigational therapy which, if approved, will be branded as LYTENAVA™ (bevacizumab-vikg), for the treatment of wet age-related macular degeneration (wetAMD);
- Expanded commercial team with the appointment of Joel Prieve as Senior Vice President, Commercial Operations, in February 2022; and
- Further expanded commercial team with appointment of Alicia Tozier as Senior Vice President, Marketing and Market Access, in March 2022.

Upcoming Anticipated Milestones

- Receive PDUFA date from FDA;
- Continued progress with ongoing pre-launch commercial preparations in anticipation of potential approval for ONS-5010 in early 2023; and
- Completion in calendar 2022 of the NORSE SEVEN study evaluating Outlook Therapeutics' vial delivery system versus a pre-filled syringe of ONS-5010.

Source: Company reports.

Exhibit 7: NORSE ONE and THREE Studies Results

NORSE ONE and NORSE THREE Results

NORSE ONE — Completed Clinical Experience Trial

Demonstrated anticipated safety and efficacy signals consistent with previously published results for ophthalmic use of bevacizumab

Trial Highlights:

- Desired proportion of 3-line visual acuity gainers achieved
- Desired mean gain in visual acuity achieved
- Zero ocular inflammation observed
- Safety was comparable to published bevacizumab studies, such as CATT

NORSE THREE — Open-Label Safety Study

Positive safety profile reinforces previously reported safety data for ONS-5010 (bevacizumab-vikg)

Trial Highlights:

- Provided adequate number of patient exposure required for BLA submission
- No unexpected safety trends
- Zero cases of ocular inflammation, a concern that has emerged for other anti-VEGF therapies to treat retinal conditions

Source: Company reports.

Exhibit 8: NORSE TWO Pivotal Trial

NORSE TWO

Pivotal Trial

2nd Registration Trial

Trial Highlights:

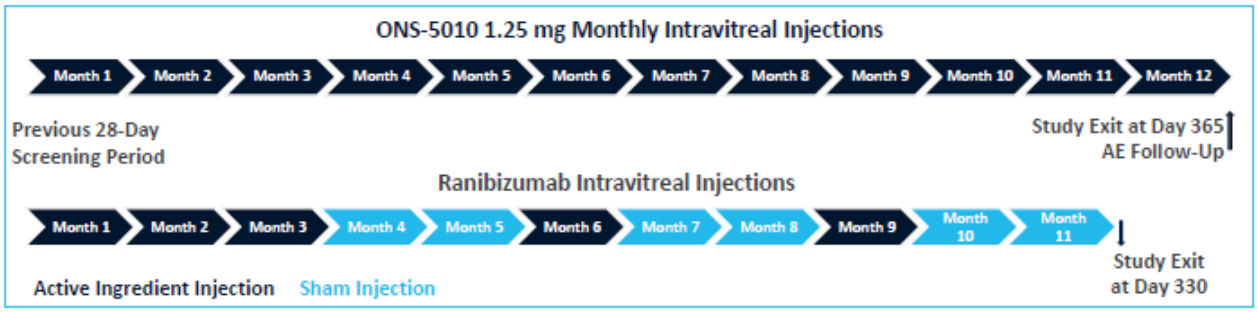
- Randomized masked controlled trial
- ONS-5010 (bevacizumab-vikg) vs LUCENTIS® (ranibizumab)
- 228 patients enrolled
- Trial conducted in the United States
- Trial arms included >95% treatment-naïve patients
- Safety & efficacy data support planned U.S. BLA submission in calendar Q1 2022

Source: Company reports.

Exhibit 9: NORSE TWO Study Conclusion

NORSE TWO Superiority Phase 3 Pivotal Study Design

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



Study Eye Characteristics

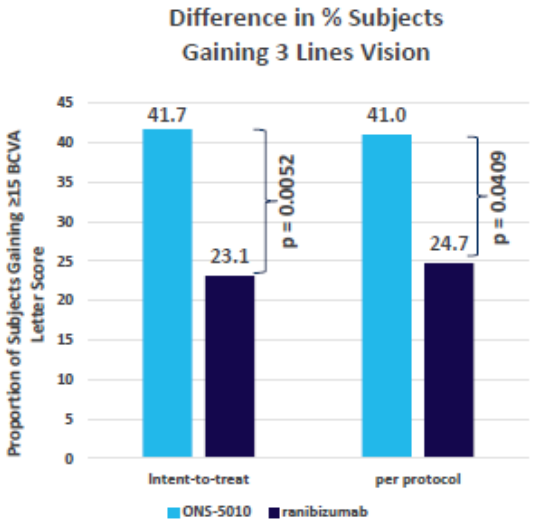
- Active, primary CNV due to wet AMD
- Treatment-naïve
- BCVA: 20/50 – 20/320

Key Study Outcomes

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

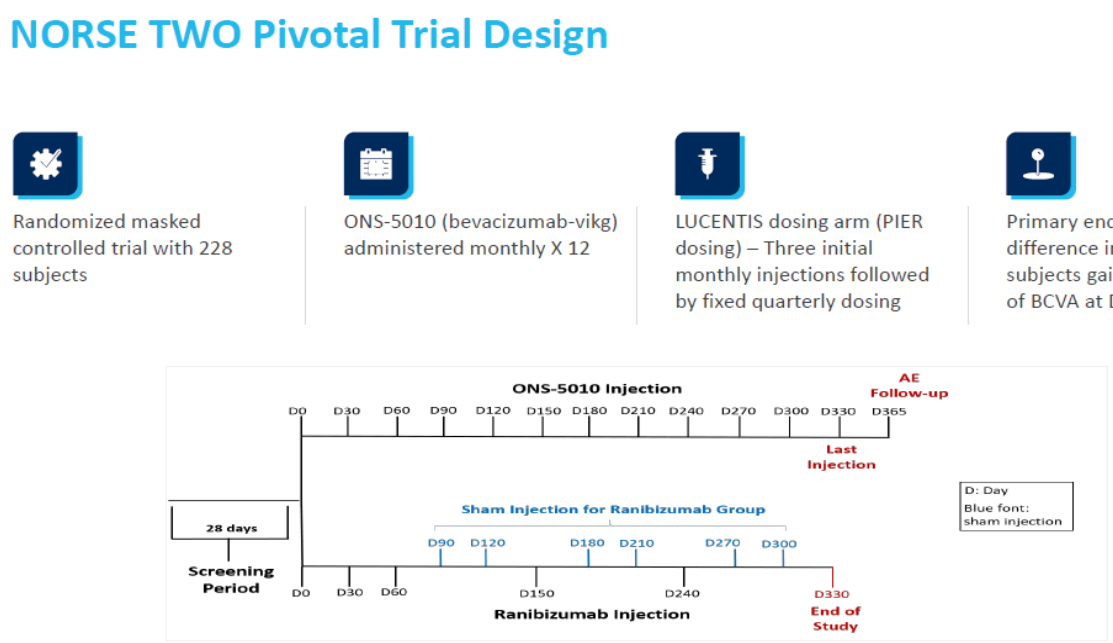
NORSE TWO Primary Endpoint Met with Statistically Significant, Clinically Relevant Results[1]

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



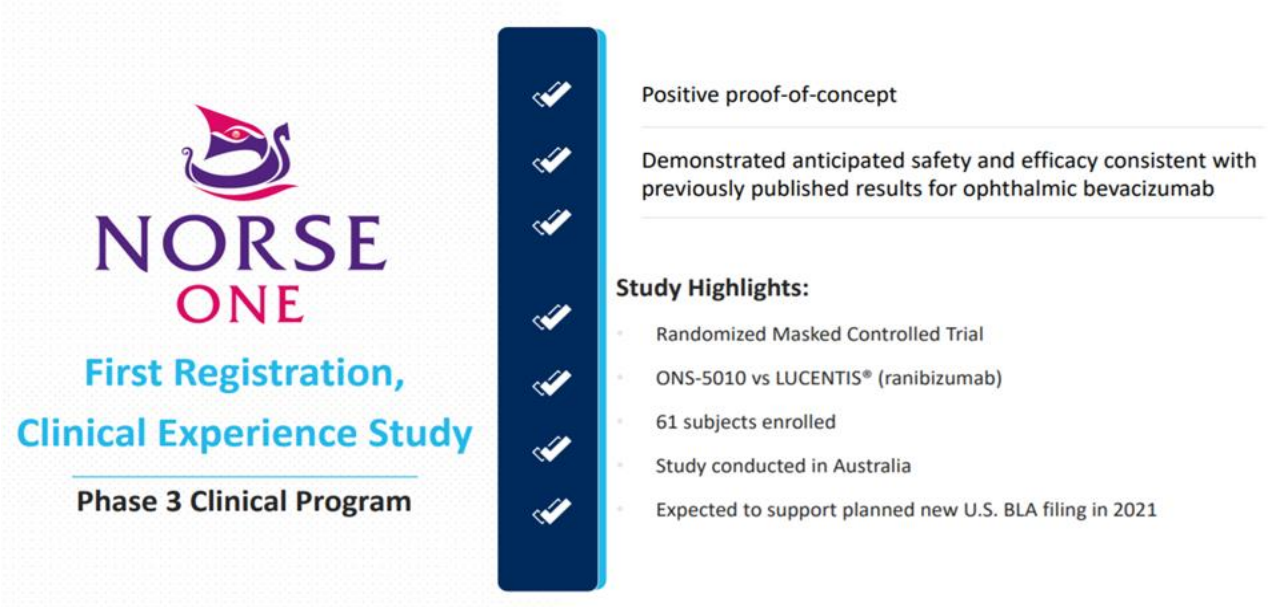
Source: Company reports.

Exhibit 10: NORSE TWO Study Design



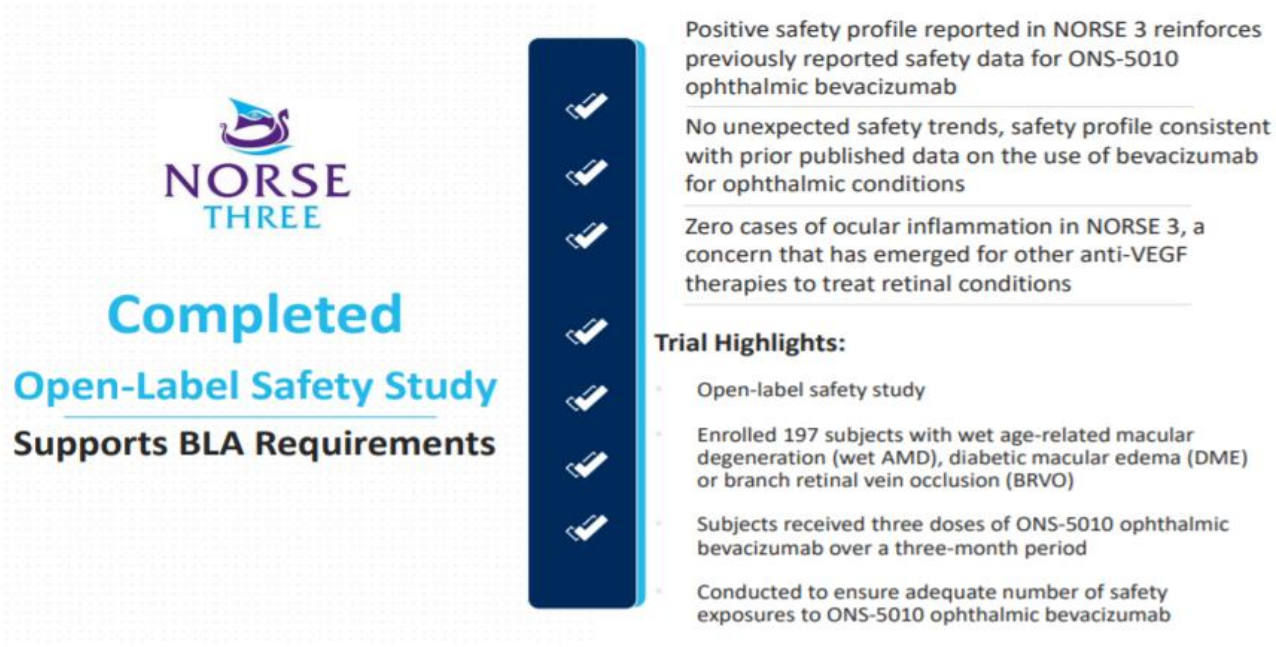
Source: Company reports.

Exhibit 11: NORSE ONE Study



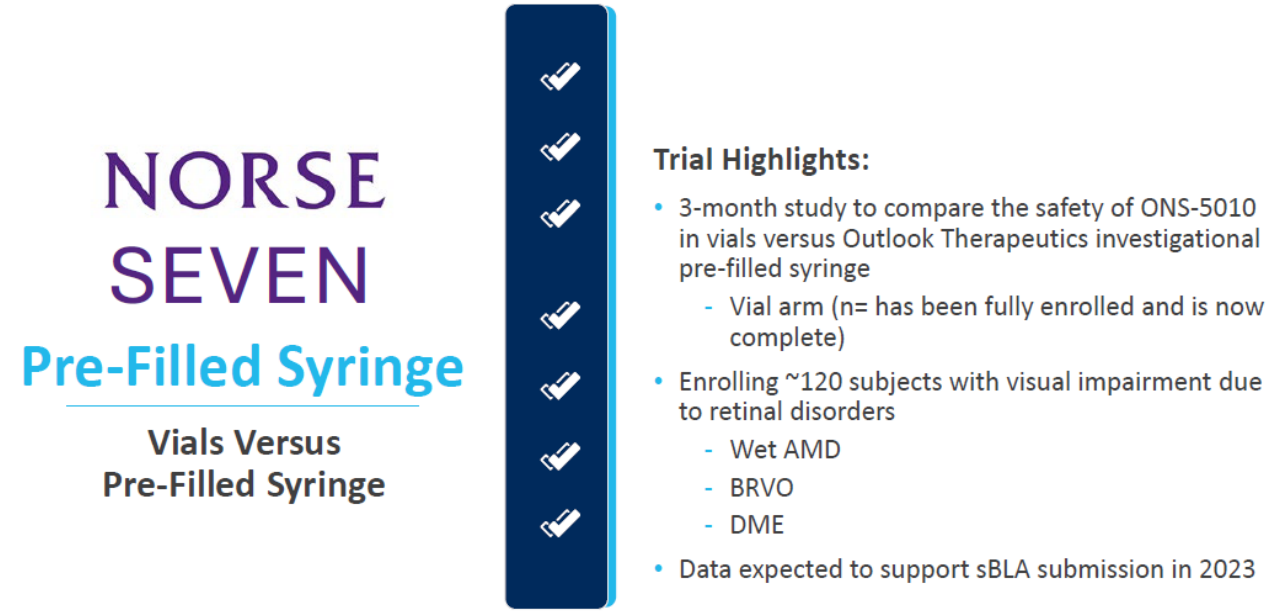
Source: Company reports.

Exhibit 12: NORSE THREE Safety Study



Source: Company reports.

Exhibit 13: NORSE SEVEN Study (ongoing currently)



Source: Company reports.

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

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

Exhibit 15: Consensus Expectations (as of May 13, 2022)

	Revenue (mil)	
	2022E	2023E
Q1 Dec	$0A	
Q2 Mar	$0E	
Q3 Jun	$0E	
Q4 Sep		
Total	$0E	$47E

	EPS	
	2022E	2023E
Q1 Dec	$(0.08)A	
Q2 Mar	$(0.06)E	
Q3 Jun	$(0.06)E	
Q4 Sep		
Total	$(0.27)E	$(0.14)E

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

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

FINANCIAL MODEL

Outlook Therapeutics, Inc.

Income Statement ($ mils)	Dec-19	Mar-20	Jun-20	Sep-20	2020	Dec-20	Mar-21	Jun-21	Sep-21	2021	Dec-21	Mar-22	Jun-22	Sep-22	2022	Dec-22	Mar-23	Jun-23	Sep-23	2023
Fiscal Year End: September 30	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.5**	**3.5**	**4.0**
Cost of Revenues					0.0					0.0					0.0					0.0
Gross Profit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	3.5	4.0
Research and development	5.8	4.4	8.5	7.6	26.3	11.9	8.5	8.5	9.9	39.0	9.9	12.2	8.0	8.0	38.1	5.0	5.0	5.0	5.0	20.0
General and administrative	2.3	2.0	3.3	2.4	10.0	2.2	4.1	2.9	3.5	12.8	3.3	6.7	7.0	7.0	24.0	7.0	7.0	7.0	7.0	28.0
Restructuring and other		0.4	0.1	0.0	0.5					0.0					0.0					0.0
Total operating expenses	8.2	6.8	11.9	10.0	36.8	14.2	12.6	11.5	13.4	51.7	13.1	18.9	15.0	15.0	62.1	12.0	12.0	12.0	12.0	48.0
Operating income (loss)	**(8.2)**	**(6.8)**	**(11.9)**	**(10.0)**	**(36.8)**	**(14.2)**	**(12.6)**	**(11.5)**	**(13.4)**	**(51.7)**	**(13.1)**	**(18.9)**	**(15.0)**	**(15.0)**	**(62.1)**	**(12.0)**	**(12.0)**	**(11.5)**	**(8.5)**	**(44.0)**
Interest income (expense)	(0.6)	(0.7)	(0.4)	(0.0)	(1.8)	(0.2)	(0.3)	(0.3)	(0.3)	(0.9)	(0.4)	(0.4)	(1.0)	(1.0)	(2.8)	(1.0)	(1.0)	(1.0)	(1.0)	(4.0)
Other income (expense)	(9.7)	(10.0)	6.0	0.1	(13.5)	(0.1)	(0.2)	(0.5)	0.3	(0.5)	(1.0)	(0.4)			(1.3)					0.0
Income before income taxes	(18.5)	(17.5)	(6.3)	(9.9)	(52.1)	(14.5)	(13.1)	(12.2)	(13.4)	(53.2)	(14.5)	(19.7)	(16.0)	(16.0)	(66.2)	(13.0)	(13.0)	(12.5)	(9.5)	(48.0)
Income taxes			(3.3)	(0.0)	(3.3)		0.0		0.2	0.2		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (loss)	(18.5)	(17.5)	(3.0)	(9.9)	(48.9)	(14.5)	(13.1)	(12.2)	(13.6)	(53.4)	(14.5)	(19.7)	(16.0)	(16.0)	(66.2)	(13.0)	(13.0)	(12.5)	(9.5)	(48.0)
Nonrecurring/noncash adjustme	10.2	11.0	(6.9)	0.8	15.1					0.0					0.0					0.0
Net income (pro forma)	**(8.2)**	**(6.4)**	**(10.0)**	**(9.2)**	**(33.8)**	**(14.5)**	**(13.1)**	**(12.2)**	**(13.6)**	**(53.4)**	**(14.5)**	**(19.7)**	**(16.0)**	**(16.0)**	**(66.2)**	**(13.0)**	**(13.0)**	**(12.5)**	**(9.5)**	**(48.0)**
EBITDA																				
Shares, Basic	29.9	47.9	90.8	124.0	72.6	121.7	150.7	168.4	175.3	152.7	188.2	219.1	226.0	226.1	214.8	226.1	226.2	226.3	226.4	226.3
Shares, Diluted	29.9	47.9	90.8	124.0	72.6	121.7	150.7	168.4	175.3	152.7	188.2	219.1	226.0	226.1	214.8	226.1	226.2	226.3	226.4	226.3
EPS Basic (Pro forma)	**($0.28)**	**($0.13)**	**($0.11)**	**($0.07)**	**($0.47)**	**($0.12)**	**($0.09)**	**($0.07)**	**($0.08)**	**($0.35)**	**($0.08)**	**($0.09)**	**($0.07)**	**($0.07)**	**($0.31)**	**($0.06)**	**($0.06)**	**($0.06)**	**($0.04)**	**($0.21)**
EPS Diluted (Pro forma)	($0.28)	($0.13)	($0.11)	($0.07)	($0.47)	($0.12)	($0.09)	($0.07)	($0.08)	($0.35)	($0.08)	($0.09)	($0.07)	($0.07)	($0.31)	($0.06)	($0.06)	($0.06)	($0.04)	($0.21)
Margins																				
Gross margin	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	100%	100%	#DIV/0!	100%	100%	100%	100%	100%
Research and development	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	1000%	143%	500%
General and administrative	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	1400%	200%	700%
Operating margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	-2300%	-243%	-1100%
Tax rate, GAAP	0%	0%	52%	0%	6%	0%	0%	0%	-1%	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	-2500%	-271%	-1200%
Y/Y % change																				
Total Revenue	-100%	-100%	-100%	-100%	-100%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Gross margin	-100%	-100%	-100%	-100%	-100%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Research and development	-31%	-33%	93%	70%	11%	104%	95%	1%	30%	48%	-17%	43%	-6%	-19%	-2%	-49%	-59%	-38%	-38%	-47%
General and administrative	-20%	6%	79%	-14%	6%	-4%	109%	-11%	47%	28%	46%	63%	139%	100%	88%	114%	5%	0%	0%	17%
Operating income (loss)	-20%	-12%	110%	-21%	1%	73%	87%	-3%	34%	40%	-7%	50%	31%	12%	20%	-9%	-37%	-23%	-43%	-29%
Net income (loss)	87%	55%	-34%	-3%	36%	-22%	-25%	305%	37%	9%	0%	50%	31%	18%	24%	-10%	-34%	-22%	-41%	-27%
EPS Diluted (Pro forma)	-61%	-77%	-54%	-40%	-62%	-57%	-35%	-34%	5%	-25%	-35%	3%	-2%	-9%	-12%	-25%	-36%	-22%	-41%	-31%

Source: Company reports and Ascendiant Capital Markets estimates.

Outlook Therapeutics, Inc.

Balance Sheet ($ mils) Fiscal Year End: September 30	Dec-19 Q1A	Mar-20 Q2A	Jun-20 Q3A	Sep-20 Q4A	Dec-20 Q1A	Mar-21 Q2A	Jun-21 Q3A	Sep-21 Q4A	Dec-21 Q1A	Mar-22 Q2A	Jun-22 Q3E	Sep-22 Q4E	Dec-22 Q1E	Mar-23 Q2E	Jun-23 Q3E	Sep-23 Q4E
Assets																
Cash and cash equivalents	1.3	4.7	24.0	12.5	5.6	37.2	19.7	14.5	70.2	58.4	46.2	34.3	25.1	15.9	7.2	1.5
Short term investments											0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable, net											0.0	0.0	0.0	0.0	0.0	0.0
Deferred income taxes											0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other	5.2	4.8	4.3	5.4	5.5	6.6	12.2	7.0	7.3	8.1	8.1	8.1	8.1	8.1	8.1	8.1
Total current assets	6.5	9.5	28.2	17.9	11.0	43.8	31.9	21.5	77.5	66.5	54.4	42.4	33.2	24.0	15.3	9.7
Long term securities/investments								0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Property and equipment, net	0.6	0.5	0.4	0.3	0.3	0.2	0.2	0.2	0.1	0.1	0.0	(0.0)	(0.1)	(0.1)	(0.2)	(0.2)
Intangibles, net											0.0	0.0	0.0	0.0	0.0	0.0
Deferred income tax											0.0	0.0	0.0	0.0	0.0	0.0
Other	3.3	3.2	1.6	1.5	1.2	1.1	0.8	0.3	0.3	0.2	0.2	0.0	0.0	0.0	0.0	0.0
Total assets	**10.4**	**13.2**	**30.2**	**19.7**	**12.5**	**45.1**	**32.9**	**22.8**	**78.7**	**67.7**	**55.4**	**43.2**	**34.0**	**24.7**	**16.0**	**10.3**
Liabilities and stockholders' equity																
Accounts payable	2.6	3.3	5.0	2.4	3.3	6.3	2.7	2.2	2.5	4.2	4.2	4.2	4.2	4.2	4.2	4.2
Accrued expenses	4.6	7.5	7.3	7.8	6.3	4.5	3.5	1.7	2.8	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Deferred revenue											0.0	0.0	0.0	0.0	0.0	0.0
Deferred income tax	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Other	0.3		0.2	0.2	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Short term debt	10.7	11.1	4.1	3.7	0.5	11.2	11.5	0.9	12.7	22.8	22.8	22.8	22.8	22.8	22.8	22.8
Total current liabilities	**20.1**	**23.7**	**18.5**	**15.9**	**12.1**	**23.9**	**19.6**	**6.8**	**19.9**	**31.4**	**31.4**	**31.4**	**31.4**	**31.4**	**31.4**	**31.4**
Deferred income taxes											0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities	8.3	6.5	0.2	0.1	0.2	0.4	0.4	0.5	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Deferred revenue											0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	7.4	3.4	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long term debt	0.0	0.0	0.5	0.9	10.7	0.1		10.9	9.6		0.0	0.0	0.0	0.0	0.0	0.0
Total other liabilities	**15.7**	**10.0**	**0.8**	**1.0**	**10.9**	**0.6**	**0.5**	**11.5**	**9.9**	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**
Preferred stock	5.5										0.0	0.0	0.0	0.0	0.0	0.0
Common stock	0.4	0.9	1.3	1.3	1.3	1.7	1.7	1.8	2.2	2.3	6.0	9.8	13.5	17.3	21.1	24.8
Additional paid-in capital	239.8	255.4	289.5	291.3	292.4	336.2	340.5	345.7	403.9	410.8	410.8	410.8	410.8	410.8	410.8	410.8
Retained earnings	(271.1)	(276.8)	(279.8)	(289.7)	(304.2)	(317.3)	(329.5)	(342.9)	(357.3)	(377.1)	(393.1)	(409.1)	(422.1)	(435.1)	(447.6)	(457.1)
Treasury stock											0.0	0.0	0.0	0.0	0.0	0.0
Accumulated other comprehensive income											0.0	0.0	0.0	0.0	0.0	0.0
Other											0.0	0.0	0.0	0.0	0.0	0.0
Total stockholders' equity	**(25.4)**	**(20.5)**	**11.0**	**2.8**	**(10.5)**	**20.7**	**12.7**	**4.6**	**48.8**	**36.0**	**23.7**	**11.5**	**2.3**	**(7.0)**	**(15.7)**	**(21.5)**
Total stockholders' equity and liabil	**10.4**	**13.2**	**30.2**	**19.7**	**12.5**	**45.1**	**32.9**	**22.8**	**78.7**	**67.7**	**55.4**	**43.2**	**34.0**	**24.7**	**16.0**	**10.3**

Balance Sheet Drivers

	Dec-19 Q1A	Mar-20 Q2A	Jun-20 Q3A	Sep-20 Q4A	Dec-20 Q1A	Mar-21 Q2A	Jun-21 Q3A	Sep-21 Q4A	Dec-21 Q1A	Mar-22 Q2A	Jun-22 Q3E	Sep-22 Q4E	Dec-22 Q1E	Mar-23 Q2E	Jun-23 Q3E	Sep-23 Q4E
Book & Cash Value (per share)																
Book Value per Share (diluted)	-$0.85	-$0.43	$0.12	$0.02	-$0.09	$0.14	$0.08	$0.03	$0.26	$0.16	$0.10	$0.05	$0.01	-$0.03	-$0.07	-$0.09
Cash per Share (diluted)	$0.04	$0.10	$0.26	$0.10	$0.05	$0.25	$0.12	$0.09	$0.38	$0.27	$0.21	$0.16	$0.11	$0.07	$0.04	$0.01
Net cash per Share (diluted)	-$0.32	-$0.13	$0.21	$0.06	-$0.05	$0.17	$0.05	$0.02	$0.26	$0.17	$0.11	$0.05	$0.01	-$0.03	-$0.07	-$0.09

Source: Company reports and Ascendiant Capital Markets estimates

Outlook Therapeutics, Inc.

Cash Flow Statement ($ mils)	Dec-19	Mar-20	Jun-20	Sep-20	2020	Dec-20	Mar-21	Jun-21	Sep-21	2021	Dec-21	Mar-22	Jun-22	Sep-22	2022	Dec-22	Mar-23	Jun-23	Sep-23	2023
Fiscal Year End: September 30	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Cash flow from operating activities																				
Net income	(16.6)	(5.7)	(3.0)	(9.9)	(35.2)	(14.5)	(13.1)	(12.2)	(13.4)	(53.2)	(14.5)	(19.7)	(16.0)	(16.0)	(66.2)	(13.0)	(13.0)	(12.5)	(9.5)	(48.0)
Depreciation	0.2	0.2	0.1	0.1	0.6	0.1	0.1	0.0	0.1	0.3	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.2
Amortization					0.0					0.0					0.0					0.0
Debt related amortization expen	0.0	0.1	0.1		0.2	0.1	0.2	0.2	0.3	0.9	0.3	0.4			0.8					0.0
Stock comp	0.4	0.3	1.4	0.8	2.8	1.2	1.1	1.2	1.4	4.9	1.2	3.8	3.8	3.8	12.5	3.8	3.8	3.8	3.8	15.1
Deferred income taxes					0.0					0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provision for bad debts					0.0					0.0					0.0					0.0
Change in fair value of warrant l	(0.2)	(1.8)	0.1	(0.1)	(2.0)	0.1	0.2	0.0	0.1	0.5	(0.1)	0.4			0.3					0.0
Writedowns and impairments	8.1	0.4	(7.3)	0.0	1.2	(0.7)	0.2			(0.6)					0.0					0.0
Other gains/losses			1.9		1.9			0.4	(0.4)	0.0	1.0	0.0			1.1					0.0
Other					0.0	(0.0)	0.0			0.0					0.0					0.0
Changes in operating assets and liabilities:																				
Accounts receivable					0.0					0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses & other curre	0.3	(0.1)	0.4	(1.0)	(0.3)	0.0	(1.4)	(5.6)	5.2	(1.7)	(0.3)	(0.8)	0.0	0.0	(1.1)	0.0	0.0	0.0	0.0	0.0
Income tax					0.0					0.0					0.0					0.0
Other assets	(0.2)	(0.0)	(0.0)	(0.0)	(0.2)	0.1		0.0	(0.0)	0.1	(0.0)	(0.0)	0.0	0.2	0.2	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.3	0.7	(0.1)	(2.4)	(1.5)	0.9	2.7	(3.5)	(0.4)	(0.2)	0.2	1.8	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0
Accrued expenses	1.1	(1.3)	0.4	0.5	0.7	(0.7)	(1.9)	(1.0)	(1.8)	(5.3)	1.0	(0.2)	0.0	0.0	0.8	0.0	0.0	0.0	0.0	0.0
Deferred revenue					0.0					0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	0.0	0.0	0.0	(0.0)	0.1		(0.1)	0.1		0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash (used in) provided by	**(6.7)**	**(7.1)**	**(6.0)**	**(12.1)**	**(31.8)**	**(13.3)**	**(11.7)**	**(20.2)**	**(9.0)**	**(54.3)**	**(11.0)**	**(14.3)**	**(12.2)**	**(12.0)**	**(49.5)**	**(9.2)**	**(9.2)**	**(8.7)**	**(5.7)**	**(32.7)**
Cash flow from investing activities																				
Purchases of property and equipment					0.0					0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchases of short-term investments					0.0					0.0					0.0					0.0
Acquisitions			(0.9)		(0.9)					0.0					0.0					0.0
Other					0.0					0.0					0.0					0.0
Net cash used in investing acti	**0.0**	**0.0**	**(0.9)**	**0.0**	**(0.9)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Cash flow from financing activities																				
Issuance of debt			0.9		0.9	10.0				10.0	10.0		0.0	0.0	10.0	0.0	0.0	0.0	0.0	0.0
Repayment of debt	(0.1)	(0.1)	(0.0)	(0.0)	(0.3)	(3.6)	(0.0)	(0.0)	(0.0)	(3.7)	(1.0)	(0.3)			(1.3)					0.0
Issuance of stock		9.5	25.3	0.7	35.4		39.8	2.7	3.8	46.3	57.7	2.7	0.0	0.0	60.4	0.0	0.0	0.0	0.0	0.0
Repurchase of common stock					0.0				0.0	0.0					0.0					0.0
Proceeds from stock option exe	0.1	1.1			1.1		3.6		0.0	3.6	0.0	0.2			0.2					0.0
Other					0.0					0.0					0.0					0.0
Dividends and distributions					0.0					0.0					0.0					0.0
Cash provided by (used in) fina	**(0.0)**	**10.4**	**26.2**	**0.7**	**37.2**	**6.4**	**43.3**	**2.7**	**3.8**	**56.2**	**66.7**	**2.6**	**0.0**	**0.0**	**69.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Effect of exchange rate on cash					0.0					0.0					0.0					0.0
Net increase (decrease) in cash	**(6.7)**	**3.3**	**19.3**	**(11.4)**	**4.5**	**(7.0)**	**31.6**	**(17.5)**	**(5.2)**	**1.9**	**55.7**	**(11.7)**	**(12.2)**	**(12.0)**	**19.8**	**(9.2)**	**(9.2)**	**(8.7)**	**(5.7)**	**(32.7)**
Beginning cash and equivalents	**8.0**	**1.3**	**4.7**	**24.0**	**8.0**	**12.5**	**5.6**	**37.2**	**19.7**	**12.5**	**14.5**	**70.2**	**58.4**	**46.2**	**14.5**	**34.3**	**25.1**	**15.9**	**7.2**	**34.3**
Ending cash and equivalents	**1.3**	**4.7**	**24.0**	**12.5**	**12.5**	**5.6**	**37.2**	**19.7**	**14.5**	**14.5**	**70.2**	**58.4**	**46.2**	**34.3**	**34.3**	**25.1**	**15.9**	**7.2**	**1.5**	**1.5**

Source: Company reports and Ascendiant Capital Markets estimates

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Outlook Therapeutics, Inc.

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

Report	Report Date	Rating	Price Target
1	4/22/2019	B	4.00
2	5/16/2019	B	3.00
3	8/20/2019	B	4.00
4	12/22/2019	B	3.50
5	1/29/2020	B	3.75
6	2/20/2020	B	3.50
7	5/21/2020	B	3.25
8	8/21/2020	B	4.00
9	8/31/2020	B	3.25
10	1/6/2021	B	3.50
11	2/17/2021	B	5.00
12	5/22/2021	B	6.00
13	9/6/2021	B	7.00
14	12/23/2021	B	7.25
15	3/2/2022	B	7.50

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SELL: We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

Ascendiant Capital Markets, LLC Rating System

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

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Total return is defined as price appreciation plus dividend yield.

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			Investment Banking Services Past 12 months	
Rating	**Count**	**Percent**	**Count**	**Percent**
Buy	41	98%	13	32%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	42	100%	13	31%

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