



Alzamend Neuro, Inc.

Q2 about inline. Expect positive clinical trials progress in FY24 for AL001 and AL002 for Alzheimer's to drive stock. Lowering P/T to \$25.

Q2 about inline: Alzamend recently (on December 15) reported its fiscal Q2 2024 (ending October) results. Net loss was \$2.9 million or EPS of \$(0.44), which compared with our estimates of \$(0.76). There was no Q2 guidance or consensus estimates. Alzamend is an early/clinical stage drug development company so it generates no revenue.

Operating expenses: Operating expenses were \$2.9 million, vs. \$3.5 million in Q1 FY24.

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 EPS estimate to \$(1.87) from \$(2.95).

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.

Positive Top-line data for Phase 2 clinical trial for AL001: In May 2022, the company initiated a Phase 2 study for AL001 involving Alzheimer's patients. In June 2023, the company reported positive Top-line results from this study. The company has two more Phase II clinical studies for AL001 for Alzheimer's patients expected to start by Q1 2024.

BD, MDD, and PTSD trials: The company has filed an IND for the treatment of Bipolar Disorder (BD), Major Depressive Disorder (MDD), and Post-Traumatic Stress Disorder (PTSD). It has received "study may proceed" for each of them and expect to start clinical trials in early 2024.

AL002 trial started: The company has started its clinical trials for AL002 (in April 2023) to treat mild to moderate dementia of the Alzheimer's type.

Clinical trials can be catalyst: Alzamend anticipates starting/finishing its various clinical trials over the next year (in FY24/25). We believe achieving key milestones and positive data will likely be catalysts for the stock.

Stock split: In October 2023, the company effected a 1-for-15 reverse stock split.

Balance sheet: In Q2, the company had ~\$0 million in cash and no debt. We expect the company will need to raise cash soon (in the current quarter).

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 lowering our 12-month price target to \$25 from \$97.50, 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 novel medicines to prevent, treat, and cure Alzheimer's.

United States
Healthcare

December 16, 2023

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COMPANY UPDATE

Rating: BUY

Ticker: ALZN

Price: \$1.00

Target: \$25.00
(from \$97.50)

Stock Data

Exchange:	NasdaqCM
52-week Range:	\$0.96 – 13.76
Shares Outstanding (million):	7
Market cap (\$million):	\$7
EV (\$million):	\$7
Debt (\$million):	\$0
Cash (\$million):	\$0
Avg. Daily Trading Vol. (\$million):	\$0.2
Float (million shares):	5
Short Interest (million shares):	0.2
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>	<u>2025E</u> <u>(Cur.)</u>	<u>2025E</u> <u>(Old)</u>
Q1 Jul	0A		0E	
Q2 Oct	0A	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>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>	<u>2025E</u> <u>(Cur.)</u>	<u>2025E</u> <u>(Old)</u>
Q1 Jul	(0.54)A		(0.62)E	(0.82)E
Q2 Oct	(0.44)A	(0.76)E	(0.61)E	(0.74)E
Q3 Jan	(0.41)E	(0.83)E	(0.60)E	(0.74)E
Q4 Apr	<u>(0.49)E</u>	<u>(0.83)E</u>	<u>(0.59)E</u>	<u>(0.74)E</u>
Total	<u>(1.87)E</u>	<u>(2.95)E</u>	<u>(2.42)E</u>	<u>(3.04)E</u>
P/E	N/A		N/A	

*Reflects a 1:15 reverse stock split in October 2023.

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: Alzamend Neuro Overview

Company Overview

Company History

Clinical-stage biopharmaceutical company dedicated to:

- Researching, developing and commercializing preventions, treatments and cures for **Alzheimer's Disease, Bipolar Disorder, Major Depressive Disorder, and Post-Traumatic Stress Disorder** via the **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):

- a **patented ionic cocrystal technology** delivering a therapeutic combination of **lithium, salicylate** and **proline** for the treatment of **Alzheimer's' Disease, BD, MDD** and **PTSD**

ALZN002 (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.

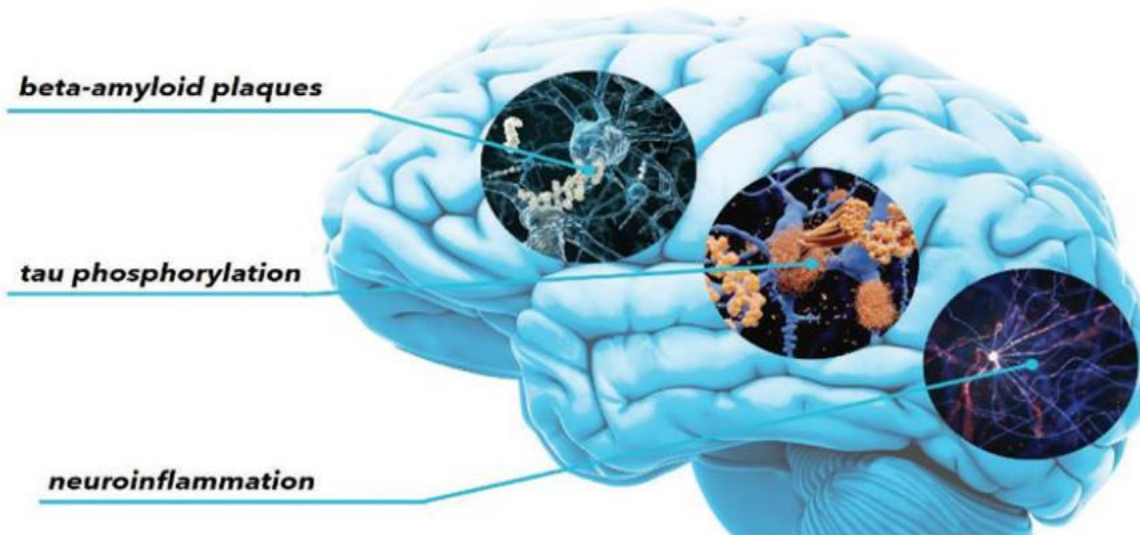
Exhibit 3: Alzamend Neuro Product Pipeline (as of December 2023)

Product Candidate	Indication	Pre-Clinical	Phase I	Phase II	Phase III	FDA Approval
AL001	• Alzheimer's Disease	→			<ul style="list-style-type: none"> • Reported Topline data for the Phase IIA MAD study in June 2023 • Anticipate initiating two more Phase II clinical studies in Alzheimer's patients in Q1 2024 	
	• Bipolar Disorder	→			<ul style="list-style-type: none"> • Received "Study May Proceed" notification from the FDA in September 2023 to initiate a Phase II Clinical Trial 	
	• Major Depressive Disorder	→			<ul style="list-style-type: none"> • Received "Study May Proceed" notification from the FDA in November 2023 to initiate a Phase II Clinical Trial 	
	• Post-Traumatic Stress Disorder	→			<ul style="list-style-type: none"> • Received "Study May Proceed" notification from the FDA in December 2023 to initiate a Phase II Clinical Trial 	
ALZN002	• Alzheimer's Disease	→			<ul style="list-style-type: none"> • Initiated Phase I/IIA Clinical Trial in March 2023 	

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.

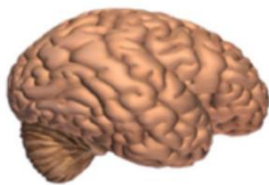


The **brain stem** sits beneath your cerebrum in front of your cerebellum. It connects the brain to the spinal cord and controls automatic functions such as breathing, digestion, heart rate and blood pressure.

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.



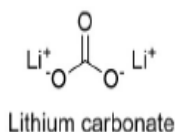
How the two brains compare.

Source: Alzheimer's Association

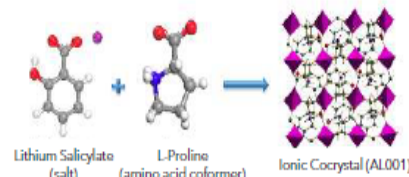
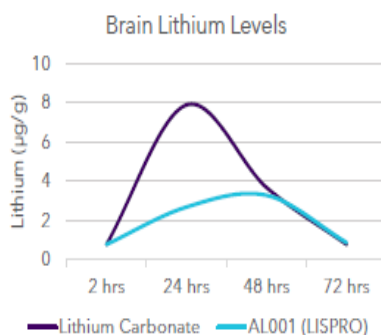
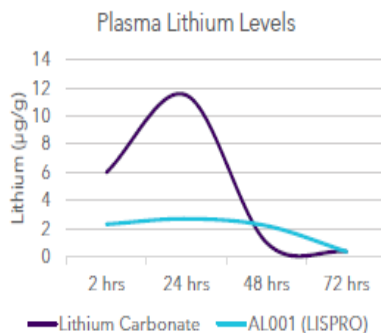
Exhibit 6: AL001 (LISPRO)

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.

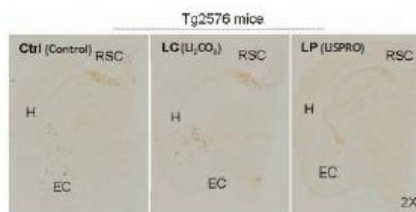


FIG. 14A & 14B: Beta Amyloid Burden

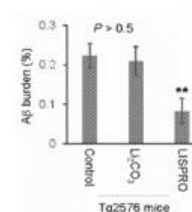


FIG. 14B

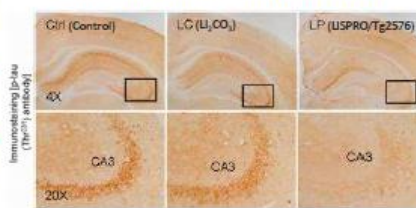


FIG. 15A & 15B: Tau Phosphorylation Burden

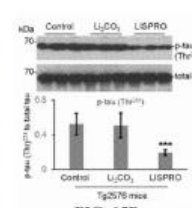


FIG. 15B

Source: Company reports.

Exhibit 8: AL001 (LISPRO) Phase IIA Trial

AL001 Phase IIA Trial

Study No.	Study Title	Description	Status
AL001-ALZ02 (US)	A Multiple-dose, Steady-state, Double-blind, Ascending Dose Safety, Tolerability, Pharmacokinetic Study of AL001 in Patients with Mild to Moderate Alzheimer's Disease and Healthy Adult Subjects	<ul style="list-style-type: none"> Primary: To evaluate the safety and tolerability of AL001 under multiple-dose, steady-state conditions in Alzheimer's subjects and healthy adult subjects Secondary: To characterize the maximum tolerated dose (MTD) of AL001 in subjects with mild to moderate Alzheimer's Disease and healthy adult subjects Exploratory: To explore the difference in pharmacokinetic profile between the non-elderly vs. elderly subjects (healthy subjects only). For Alzheimer's Disease subject cohorts (Cohorts 1,2b, 3b, 4b, and 5b), determination of qualitative and quantitative evaluations of Alzheimer's Disease subject desirable characteristics for future Phase II and III clinical studies in order to: <ul style="list-style-type: none"> Facilitate recruitment into subsequent AL001 clinical trials Facilitate trial-adherence to completion of study requirements including treatment adherence 	<ul style="list-style-type: none"> Reported Topline data of Phase IIA Multiple Ascending Dose Clinical Trial in June 2023. (www.clinicaltrials.gov, identifier: NCT05363293)

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

beta-amyloid plaques



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)

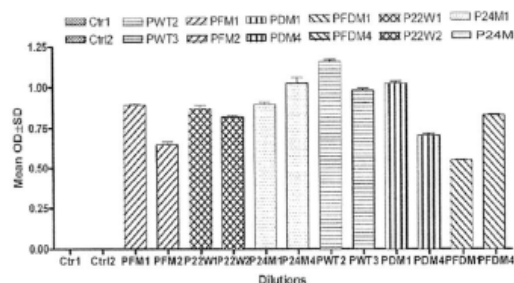


FIG. 5A

- 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 administered 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: ALZN002 Phase I/IIA Trial

Study No.	Study Title	Description	Status
ALZN002- ALZ (US)	A Randomized, Double-blind, Placebo-controlled, Parallel group, Phase I/IIA Study to Assess the Safety, Tolerability, and Efficacy of Autologous Amyloid Beta Mutant Peptide-Pulsed Dendritic Cells (ALZN002) in Subjects with Mild-to-Moderate Dementia of the Alzheimer's Type	<ul style="list-style-type: none"> Primary: <ul style="list-style-type: none"> To assess the safety and tolerability of ALZN002 compared with placebo when administered as IV infusion and ID injection in subjects with mild to moderate AD Secondary: <ul style="list-style-type: none"> To evaluate the immunogenicity of ALZN002 specific to generation of anti-Aβ antibodies To determine the effect of ALZN002 on Amyloid-Related Imaging Abnormalities (ARIA) as a putative biomarker of treatment safety Exploratory: <ul style="list-style-type: none"> To assess the utility of multiple immune biomarkers as surrogates for safety and efficacy of ALZN002. To assess the preliminary efficacy of ALZN002 treatment on amyloid markers as observed by amyloid positron emission tomography (PET). 	Phase I/IIA Clinical Trial Initiated in March 2023 (www.clinicaltrials.gov , identifier: NCT05834296).

Source: Company reports.

Exhibit 12: 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 13: Market Opportunities for BD, MDD, PTSD

Bipolar Disorder



Key Statistics:

An estimated **7 Million** adults in the US and over **45 Million** globally experience **Bipolar Disorder** each year

Of adults who live with **Bipolar Disorder**, almost **83%** experience significant disruption in their physical or mental abilities

The average age of onset is **25 years old**. People ages **18 to 29 years old** had the highest rates of bipolar disorder (**4.7%**) followed by 30- to 44-year-olds (**3.5%**)

The risk of **suicide** is extremely high in people with bipolar disorder with **15% to 17% committing suicide**

Bipolar Disorder:

Bipolar Disorder is a mental illness that causes unusual shifts in a person's **mood, energy, activity levels, and concentration**.

The **three primary types** of bipolar disorders are bipolar I disorder, bipolar II disorder, and cyclothymic disorder.

- **Bipolar I:** Characterized by episodes of mania that last at least seven days and may require hospitalization.
- **Bipolar II:** Defined by a pattern of depressive and hypomanic episodes. Hypomania is a mood elevation that increases energy, agitation, and pressured speech.
- **Cyclothymic disorder:** More frequent shifts between mood swings, which is called rapid cycling. The highs are consistent with hypomania symptoms and the lows are mild to moderate depression.

Major Depressive Disorder



Key Statistics:

An estimated **21 Million** adults in U.S. had at least one **major depressive** episode in 2021. This number represented **8.3%** of all U.S. adults

Women are almost twice as likely as men to have had depression and women who have **MDD** can have an increased risk of **Low Bone Mass** which can lead to fractures and can contribute to their risk for **osteoporosis**

An estimated **5.0 million adolescents aged 12 to 17** in the United States had at least one major depressive episode. This number represented **20.1% of the U.S. population aged 12 to 17**

Adults with a **depressive disorder** or symptoms have a **64% greater risk** of developing **coronary artery disease**

Major Depressive Disorder:

Major Depressive Disorder (MDD), commonly known as **clinical depression**, is one of the most common mental disorders worldwide. Many different factors can contribute to a person's depressive state and depression is often an **overlapping diagnosis** along with **other medical conditions and/or mental disorders**.

The most prominent **symptoms** of major depression are a **severe** and **persistent low mood, profound sadness, or a sense of despair**. A major depressive episode (MDE) is a time-period characterized by symptoms of **major depression**.

Depression is the cause of over **two-thirds** of the **30,000 reported suicides** in the U.S. each year.

<https://www.nlm.nih.gov/health/statistics/major-depression>
<https://www.cbsaiflance.org/education/depression-statistics>
<http://www.singlecare.com/blog/news/depression-statistics/>

Post-Traumatic Stress Disorder



Key Statistics:

About **5 out of every 100 adults** (or 5%) in the U.S. has PTSD in **any given year**. In 2020, about **13 million** Americans had PTSD.

Women are more likely to develop **PTSD** than **men**. About **8 of every 100 women** (or 8%) and **4 of every 100 men** (or 4%) will have PTSD at some point in their life. This is in part due to the types of **traumatic events** that women are more likely to experience—such as sexual assault—compared to men.

Veterans are more likely to have PTSD than **civilians**. Veterans who **deployed** to a **war zone** are also more likely to have PTSD than those who did not deploy.

Post-Traumatic Stress Disorder:

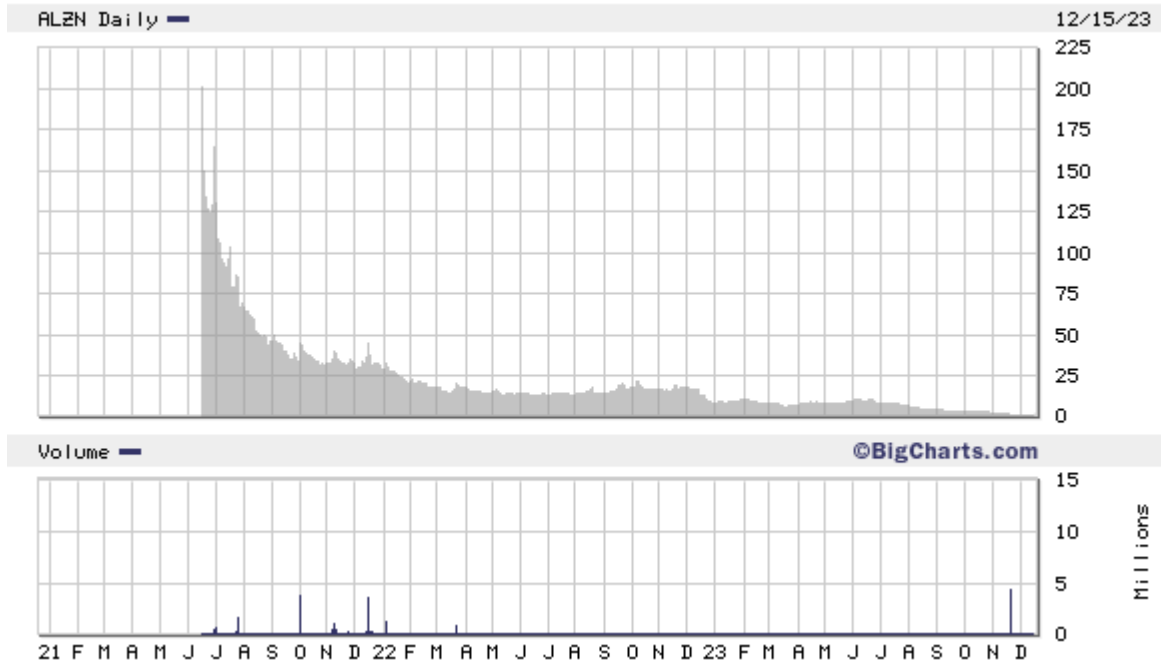
PTSD is a **mental and behavioral disorder** that can develop because of exposure to a **traumatic event**, such as sexual assault, warfare, traffic collisions, child abuse, domestic violence, or other **threats on a person's life**.

Symptoms may include disturbing **thoughts, feelings, or dreams** related to the events, **mental or physical distress** in response to trauma-related cues, attempts to avoid trauma related cues, alterations in the way a person thinks and feels, and an increase in the fight-or-flight response.

These symptoms last for more than a month after the event. A person with **PTSD** is at a **higher risk of suicide** and intentional self-harm.

Source: Company reports.

Exhibit 14: Alzamend Neuro, Inc. Stock Price (3-years since IPO in June 2021)



**Reflects a 1:15 reverse stock split in October 2023*

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

FINANCIAL MODEL

Alzamed Neuro, Inc.

Income Statement (\$ mils)	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	Jul-24	Oct-24	Jan-25	Apr-25	2025	
Fiscal Year End: April 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	0.0	0.0	0.0	0.0
<u>Cost of Revenues</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
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	0.0	0.0	0.0	0.0
Research and development	0.9	1.8	0.9	1.7	5.2	1.4	1.5	2.9	1.6	7.4	2.4	2.0	2.0	2.5	8.9	2.5	2.5	2.5	2.5	10.0	8.0
General and administrative	1.4	1.8	1.7	2.2	7.1	1.7	1.6	2.5	1.7	7.4	1.2	0.9	0.9	1.0	4.0	2.0	2.0	2.0	2.0	8.0	8.0
Restructuring and other					0.0					0.0					0.0					0.0	0.0
Total operating expenses	2.3	3.6	2.6	3.9	12.3	3.0	3.1	5.4	3.3	14.9	3.5	2.9	2.9	3.5	12.8	4.5	4.5	4.5	4.5	18.0	18.0
Operating income (loss)	(2.3)	(3.6)	(2.6)	(3.9)	(12.3)	(3.0)	(3.1)	(5.4)	(3.3)	(14.9)	(3.5)	(2.9)	(2.9)	(3.5)	(12.8)	(4.5)	(4.5)	(4.5)	(4.5)	(18.0)	(18.0)
Interest income (expense)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
Other income (expense)				0.0	0.0					0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income before income taxes	(2.3)	(3.6)	(2.6)	(3.9)	(12.4)	(3.0)	(3.1)	(5.4)	(3.3)	(14.9)	(3.5)	(2.9)	(2.9)	(3.5)	(12.8)	(4.5)	(4.5)	(4.5)	(4.5)	(18.0)	(18.0)
Income taxes					0.0					0.0					0.0					0.0	0.0
Net income (loss)	(2.3)	(3.6)	(2.6)	(3.9)	(12.4)	(3.0)	(3.1)	(5.4)	(3.3)	(14.9)	(3.5)	(2.9)	(2.9)	(3.5)	(12.8)	(4.5)	(4.5)	(4.5)	(4.5)	(18.0)	(18.0)
<u>Nonrecurring/noncash adjustments</u>					0.0					0.0					0.0					0.0	0.0
Net income (pro forma)	(2.3)	(3.6)	(2.6)	(3.9)	(12.4)	(3.0)	(3.1)	(5.4)	(3.3)	(14.9)	(3.5)	(2.9)	(2.9)	(3.5)	(12.8)	(4.5)	(4.5)	(4.5)	(4.5)	(18.0)	(18.0)
EBITDA	(1.6)	(2.3)	(1.4)	(2.6)	(7.9)	(2.2)	(2.4)	(3.9)	(2.8)	(11.3)	(3.1)	(2.6)	(2.6)	(3.2)	(11.5)	(4.2)	(4.2)	(4.2)	(4.2)	(16.7)	(16.7)
Shares, Basic	5.6	6.2	6.3	6.3	5.9	6.5	6.5	6.6	6.5	6.5	6.6	6.6	7.1	7.2	6.9	7.3	7.4	7.5	7.6	7.5	7.5
Shares, Diluted	5.6	6.2	6.3	6.3	5.9	6.5	6.5	6.6	6.5	6.5	6.6	6.6	7.1	7.2	6.9	7.3	7.4	7.5	7.6	7.5	7.5
EPS Basic (pro forma)	(\$0.41)	(\$0.58)	(\$0.41)	(\$0.62)	(\$2.08)	(\$0.47)	(\$0.48)	(\$0.83)	(\$0.51)	(\$2.29)	(\$0.54)	(\$0.44)	(\$0.41)	(\$0.49)	(\$1.87)	(\$0.62)	(\$0.61)	(\$0.60)	(\$0.59)	(\$2.42)	(\$2.42)
EPS Diluted (pro forma)	(\$0.41)	(\$0.58)	(\$0.41)	(\$0.62)	(\$2.08)	(\$0.47)	(\$0.48)	(\$0.83)	(\$0.51)	(\$2.29)	(\$0.54)	(\$0.44)	(\$0.41)	(\$0.49)	(\$1.87)	(\$0.62)	(\$0.61)	(\$0.60)	(\$0.59)	(\$2.42)	(\$2.42)
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
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	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
YY % change																					
Total Revenue																					
Gross margin																					
Research and development					297%	50%	-12%	231%	-1%	43%	72%	30%	-31%	52%	19%	6%	25%	25%	0%	13%	102%
General and administrative					95%	19%	-14%	51%	-25%	4%	-30%	-42%	-64%	-40%	-47%	72%	121%	122%	100%	102%	102%
Operating income (loss)					149%	32%	-13%	112%	-15%	21%	16%	-7%	-47%	6%	-14%	28%	55%	55%	29%	40%	40%
Net income (loss)					145%	31%	-14%	111%	-15%	20%	16%	-7%	-47%	6%	-14%	28%	55%	55%	29%	40%	40%
EPS Diluted (pro forma)					100%	14%	-17%	102%	-17%	10%	15%	-7%	-51%	-5%	-18%	15%	37%	47%	22%	29%	29%

Source: Company reports and Ascendant Capital Markets estimates.

Reflects a 1:15 reverse stock split in October 2023

Alzamend Neuro, Inc.

Balance Sheet (\$ mils)	Jul-21	Oct-21	Jan-22	Apr-22	Jul-22	Oct-22	Jan-23	Apr-23	Jul-23	Oct-23	Jan-24	Apr-24	Jul-24	Oct-24	Jan-25	Apr-25
Fiscal Year End: April 30	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	15.6	13.6	11.8	14.1	11.5	9.2	7.4	5.1	1.7	0.2	0.1	(3.2)	(7.4)	(11.7)	(16.2)	(20.3)
Short term investments											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	1.2	0.9	0.6	0.3	0.6	1.2	1.0	0.7	0.7	0.6	0.5	0.5	0.5	0.5	0.5	0.5
Total current assets	16.8	14.5	12.4	14.4	12.1	10.3	8.4	5.8	2.4	0.8	0.5	(2.8)	(6.9)	(11.3)	(15.7)	(19.9)
Property and equipment, net				0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.4	0.7	0.7
Intangibles, net											0.0	0.0	0.0	0.0	0.0	0.0
Deferred income tax											0.0	0.0	0.0	0.0	0.0	0.0
Other											0.0	0.0	0.0	0.0	0.0	0.0
Total assets	16.8	14.5	12.4	14.5	12.2	10.4	8.5	5.9	2.6	1.0	0.7	(2.4)	(6.6)	(10.8)	(15.0)	(19.2)
Liabilities and stockholders' equity																
Accounts payable	1.1	1.1	0.5	1.2	1.0	0.6	2.6	2.9	2.7	3.7	5.0	5.0	5.0	5.0	5.0	5.0
Accrued expenses	0.1	0.0	0.0	0.0							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						1.0					0.0	0.0	0.0	0.0	0.0	0.0
Short term debt	0.3	0.3									0.0	0.0	0.0	0.0	0.0	0.0
Total current liabilities	1.5	1.5	0.5	1.2	1.0	1.6	2.6	2.9	2.7	3.7	5.0	5.0	5.0	5.0	5.0	5.0
Deferred income taxes											0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities											0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities											0.0	0.0	0.0	0.0	0.0	0.0
Long term debt											0.0	0.0	0.0	0.0	0.0	0.0
Total other liabilities	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
Preferred stock											0.0	0.0	0.0	0.0	0.0	0.0
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.6	1.0	1.3	1.6	1.9
Additional paid-in capital	49.4	50.7	52.2	57.4	58.3	59.0	61.5	62.0	62.4	62.7	62.7	62.7	62.7	62.7	62.7	62.7
Retained earnings	(19.2)	(22.8)	(25.3)	(29.2)	(32.2)	(35.3)	(40.8)	(44.1)	(47.6)	(50.5)	(53.4)	(56.9)	(61.4)	(65.9)	(70.4)	(74.9)
Accumulated other comprehensive income											1.0	1.0	1.0	1.0	1.0	1.0
Other	(14.9)	(14.9)	(14.9)	(14.9)	(14.9)	(14.9)	(14.9)	(14.9)	(14.9)	(14.9)	(14.9)	(14.9)	(14.9)	(14.9)	(14.9)	(14.9)
Total stockholders' equity	15.3	13.0	12.0	13.4	11.2	8.8	5.9	3.0	(0.1)	(2.7)	(4.3)	(7.4)	(11.6)	(15.8)	(20.0)	(24.2)
Total stockholders' equity and liabil	16.8	14.5	12.4	14.5	12.2	10.4	8.5	5.9	2.6	1.0	0.7	(2.4)	(6.6)	(10.8)	(15.0)	(19.2)

Balance Sheet Drivers

	Jul-21	Oct-21	Jan-22	Apr-22	Jul-22	Oct-22	Jan-23	Apr-23	Jul-23	Oct-23	Jan-24	Apr-24	Jul-24	Oct-24	Jan-25	Apr-25
Book & Cash Value (per share)	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Book Value per Share (diluted)	2.72	2.09	1.91	2.13	1.72	1.35	0.89	0.47	(0.02)	(0.41)	(0.60)	(1.03)	(1.59)	(2.14)	(2.67)	(3.18)
Cash per Share (diluted)	2.77	2.18	1.88	2.24	1.77	1.41	1.13	0.80	0.26	0.03	0.01	(0.45)	(1.01)	(1.58)	(2.16)	(2.68)
Net cash per Share (diluted)	2.71	2.12	1.88	2.24	1.77	1.41	1.13	0.80	0.26	0.03	0.01	(0.45)	(1.01)	(1.58)	(2.16)	(2.68)

Source: Company reports and Ascendant Capital Markets estimates

Alzamend Neuro, Inc.

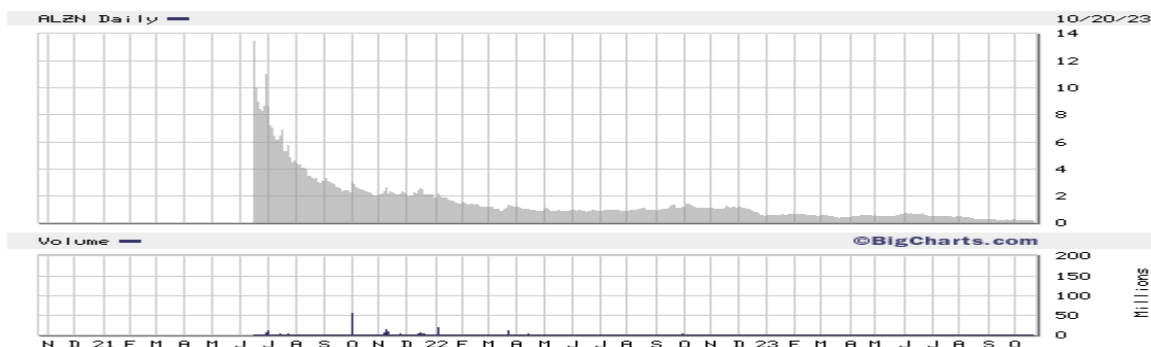
Cash Flow Statement (\$ mils)	Jul-21	Oct-21	Jan-22	Apr-22	2022	Jul-22	Oct-22	Jan-23	Apr-23	2023	Jul-23	Oct-23	Jan-24	Apr-24	2024	Jul-24	Oct-24	Jan-25	Apr-25	2025	
Fiscal Year End: April 30	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Cash flow from operating activities																					
Net income	(2.3)	(3.6)	(2.6)	(3.9)	(12.4)	(3.0)	(3.1)	(5.4)	(3.3)	(14.9)	(3.5)	(2.9)	(2.9)	(3.5)	(12.8)	(4.5)	(4.5)	(4.5)	(4.5)	(18.0)	
Depreciation				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	
Amortization					0.0					0.0					0.0					0.0	
Debt related amortization expen	0.0	0.0	(0.0)		0.0					0.0					0.0					0.0	
Stock comp	0.7	1.3	1.1	1.3	4.4	0.9	0.7	1.5	0.5	3.6	0.4	0.3	0.3	0.3	1.3	0.3	0.3	0.3	0.3	1.3	
Deferred income taxes					0.0					0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in fair value of warrant liability					0.0					0.0					0.0					0.0	
Writedowns and impairments					0.0					0.0					0.0					0.0	
Other gains/losses				(0.0)	(0.0)					0.0					0.0					0.0	
Other					0.0					0.0					0.0					0.0	
Changes in operating assets and liabilities:																					
Prepaid expenses & other curre	(0.2)	0.3	0.3	0.3	0.6	(0.2)	0.4	0.1	0.3	0.6	(0.3)	0.1	0.1	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	
Other assets					0.0					0.0	0.2	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	
Accounts payable	0.6	(0.0)	(0.6)	0.8	0.7	(0.1)	(0.4)	2.0	0.2	1.7	(0.1)	0.9	1.3	0.0	2.1	0.0	0.0	0.0	0.0	0.0	
Accrued expenses					0.0					0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other liabilities					0.0					0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net cash (used in) provided by	(1.2)	(2.0)	(1.8)	(1.6)	(6.6)	(2.5)	(2.3)	(1.8)	(2.2)	(8.9)	(3.3)	(1.5)	(1.1)	(3.2)	(9.1)	(4.2)	(4.2)	(4.2)	(4.2)	(16.7)	
Cash flow from investing activities																					
Purchases of property and equipment				(0.1)	(0.1)					0.0	(0.1)		0.0	(0.1)	(0.3)	0.0	(0.1)	(0.3)	0.0	(0.4)	
Purchases of short-term investments					0.0					0.0					0.0					0.0	
Acquisitions					0.0					0.0					0.0					0.0	
Other					0.0					0.0					0.0					0.0	
Net cash used in investing activ	0.0	0.0	0.0	(0.1)	(0.1)	0.0	0.0	0.0	0.0	0.0	(0.1)	0.0	0.0	(0.1)	(0.3)	0.0	(0.1)	(0.3)	0.0	(0.4)	
Cash flow from financing activities																					
Issuance of debt					0.0					0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Repayment of debt				(0.1)	(0.1)					0.0					0.0					0.0	
Issuance of stock	14.9	0.0	0.0	4.0	18.9					0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Proceeds from stock option exe	0.0	0.0	0.0	0.0	0.0			0.0		0.0					0.0					0.0	
Other					0.0					0.0			1.0		1.0					0.0	
Dividends and distributions					0.0					0.0					0.0					0.0	
Cash provided by (used in) fina	14.9	0.0	0.0	3.9	18.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	1.0	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	13.7	(2.0)	(1.8)	2.3	12.1	(2.5)	(2.3)	(1.8)	(2.2)	(8.9)	(3.4)	(1.5)	(0.1)	(3.3)	(8.4)	(4.2)	(4.3)	(4.5)	(4.2)	(17.1)	
Beginning cash and equivalents	1.9	15.6	13.6	11.8	1.9	14.1	11.5	9.2	7.4	14.1	5.1	1.7	0.2	0.1	5.1	(3.2)	(7.4)	(11.7)	(16.2)	(3.2)	
Ending cash and equivalents	15.6	13.6	11.8	14.1	14.1	11.5	9.2	7.4	5.1	5.1	1.7	0.2	0.1	(3.2)	(3.2)	(7.4)	(11.7)	(16.2)	(20.3)	(20.3)	

Source: Company reports and Ascendant Capital Markets estimates

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Alzamend Neuro, Inc. (as of 10/20/23)



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

Report	Report Date	Rating	Price Target
1	9/30/2021	Buy	8.00
2	12/23/2021	Buy	8.25
3	3/16/2022	Buy	7.50
4	9/18/2022	Buy	7.25
5	12/14/2022	Buy	7.00
6	4/3/2023	Buy	6.75
7	8/9/2023	Buy	6.25
8	9/15/2023	Buy	6.50

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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.

Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of October 13, 2023)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	51	98%	19	37%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	52	100%	19	37%

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