United States
Healthcare

November 23, 2022

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AIM ImmunoTech Inc.

Q3 about inline. Wins proxy battle. Clinical data expected to be strong catalysts for stock over the next year. Lowering P/T to $6.75.

COMPANY UPDATE

Rating: BUY

Ticker: AIM

Price: $0.44

Target: $6.75
(from $7.25)

Q3 about inline: AIM recently (on November 15) reported its Q3 2022 (ending September) results. Net loss was $6.4 million or EPS of $(0.13), compared with our and consensus estimates of $(0.09) – (0.10). There was no guidance. AIM is an early/clinical stage drug development/commercialization company so it generates minimal revenue.

Q3 update: Operating expenses were $6.5 million, vs. $4.7 million in Q2 2022 as the company spent $3 million in legal fees for its proxy battle.

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

Adjusting estimates: We are adjusting our 2022 EPS estimate to $(0.43) from $(0.40).

Ramp up in clinical trials: In October, the company announced that the FDA has allowed it to proceed to initiate a Phase 2 study evaluating Ampligen as a therapeutic for patients with post-COVID conditions. This study is expected to start in Q1 2023. A major Phase 2 study for Ampligen for pancreatic cancer started in Q3 2022 (in August). Also in August, the company announced that its clinical development collaborator, Roswell Park Comprehensive Cancer Center, in a clinical trial fully funded by the National Cancer Institute (NCI), has commenced patient enrollment in its Phase 2 study in subjects to test Ampligen in patients with primary PD-1/PD-L1 resistant melanoma.

Positive data from 2 studies: In April, AIM announced positive data from a Phase 1 study at Roswell Park Comprehensive Cancer Center in patients with metastatic triple-negative breast cancer using chemokine modulation therapy, including AIM's drug candidate, Ampligen. Also in April, AIM announced positive data from a Phase 2a study (also at Roswell Park) evaluating Ampligen as a component of a chemokine modulatory (CKM) regimen for the treatment of colorectal cancer metastatic to the live.

Multiple shots on goal: In collaboration with major cancer research centers in the U.S., clinical trials are underway to test that the combination of Ampligen with checkpoint blockade therapies will improve clinical tumor responses, time to progression, and survival rates. There are nine cancer clinical trials underway or planned at including the University of Pittsburgh Medical Center, Roswell Park Comprehensive Cancer Center, and University of Nebraska Medical Center.

Clinical data can be catalyst: AIM anticipates receiving additional clinical data from its various trials over the next year. Initial and recent data has been positive and further strong positive data will likely be catalysts for the stock.

Wins proxy battle: In November, the company's 3 nominee to the Board were all reelected rebuffing a proxy battle with AS Full Value Committee.

Solid balance sheet: In Q3, the company has $37 million in cash and no debt. We believe the company has enough cash into 2024.

Positive high risks versus rewards: We acknowledge that AIM's oncology drugs still have long development roads left (~3 years), but we believe the ~billion dollars market potentials presents a high reward for the risks.

Current valuation attractive: We are maintaining our BUY rating, but lowering our 12-month price target to $6.75 from $7.25, which is based on a NPV analysis. We believe this valuation appropriately balances out the company's high risks with its high growth prospects and large upside opportunities.

Company Description

Based in Ocala, FL, AIM ImmunoTech is a biotech company engaged in the clinical development of new drug therapies for the treatment of viral, immune, and immuno-oncology based diseases.

Stock Data

Exchange:	NYSE
52-week Range:	$0.42 – 1.51
Shares Outstanding (million):	48
Market cap ($million):	$21
EV ($million):	$(16)
Debt ($million):	$0
Cash ($million):	$37
Avg. Daily Trading Vol. ($million):	$0.2
Float (million shares):	47
Short Interest (million shares):	1
Dividend, annual (yield):	$0 (NA%)

Revenues (US$ million)

	2022E (Cur.)	2022E (Old)	2023E (Cur.)	2023E (Old)
Q1 Mar	0.0A		0.0E	
Q2 Jun	0.0A		0.0E	
Q3 Sep	0.0A	0.0E	0.0E	
Q4 Dec	0.1E		0.1E	
Total	**0.1E**	**0.2E**	**0.2E**	
EV/Revs	N/A		N/A	

Earnings per Share (pro forma)

	2022E (Cur.)	2022E (Old)	2023E (Cur.)	2023E (Old)
Q1 Mar	(0.08)A		(0.11)E	
Q2 Jun	(0.10)A		(0.11)E	
Q3 Sep	(0.13)A	(0.10)E	(0.11)E	
Q4 Dec	(0.12)E		(0.11)E	
Total	**(0.43)E**	**(0.40)E**	**(0.43)E**	
P/E	N/A		N/A	

Important Disclosures

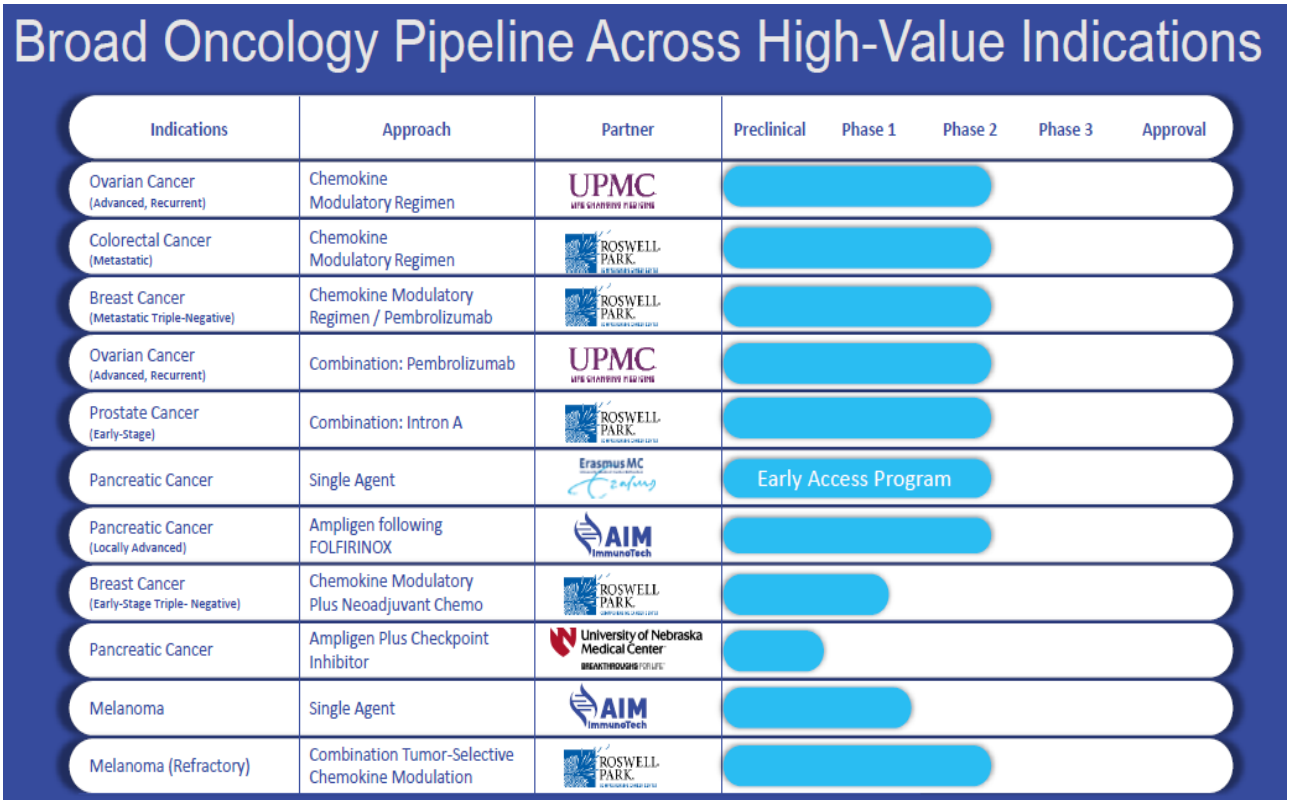
Ascendiant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making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

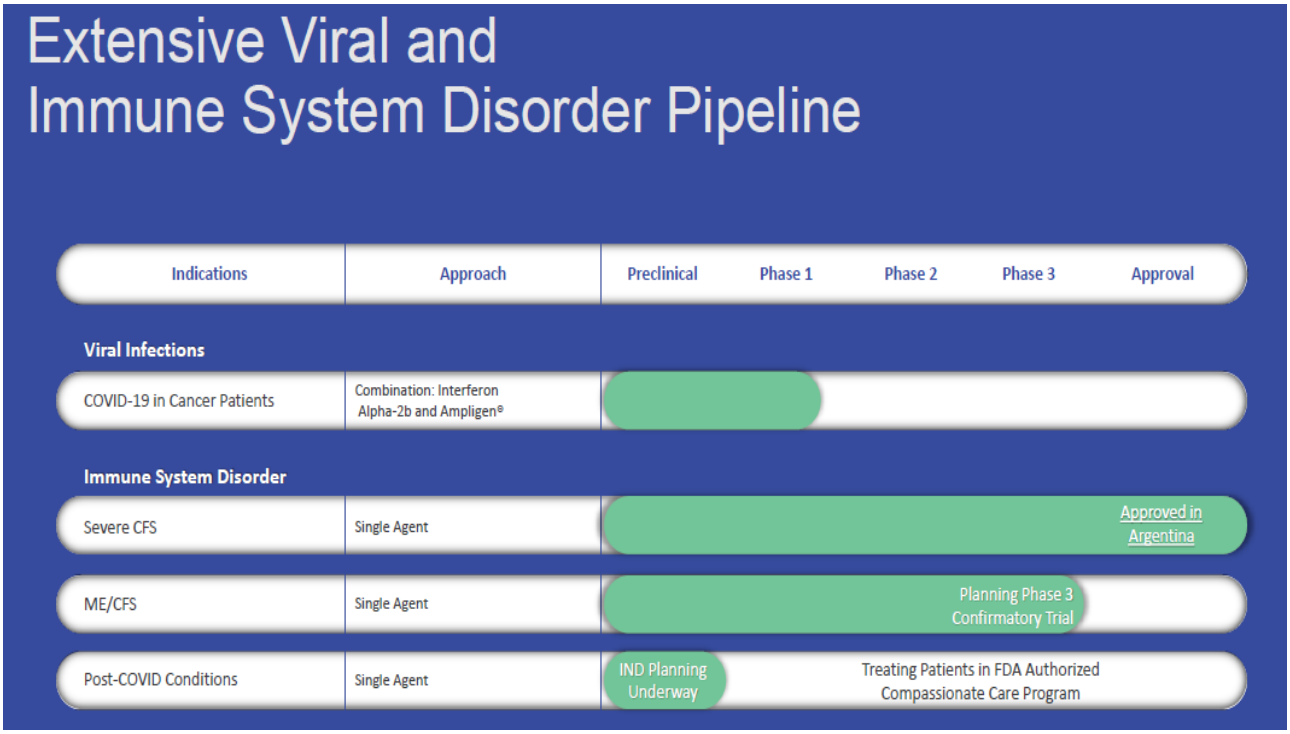
For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 13.

Exhibit 1: AIM ImmunoTech's Overview

Source: Company reports

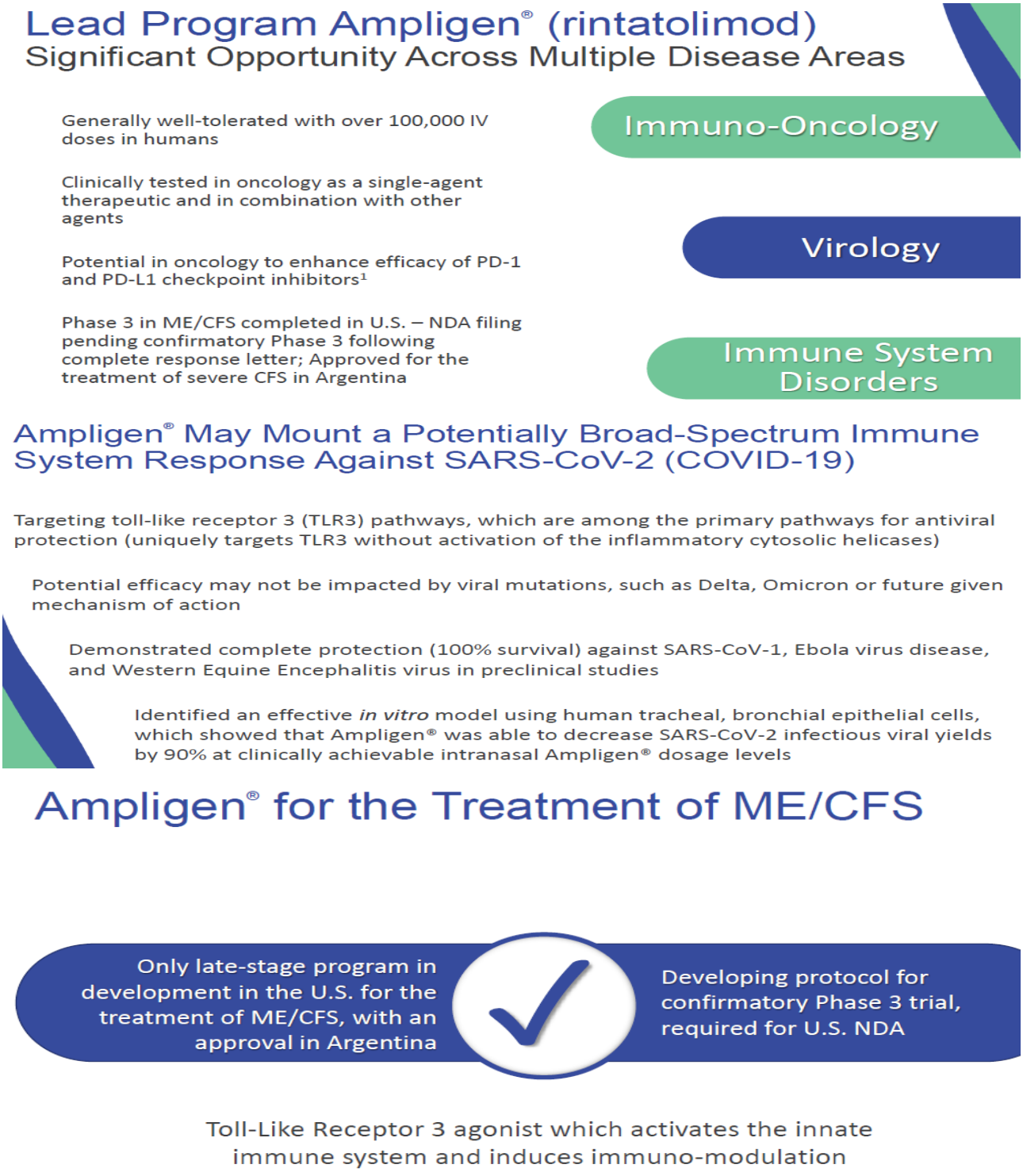
Exhibit 2: Company Development Pipeline





Source: Company reports.

Exhibit 3: Ampligen Market Opportunity



Source: Company reports.

Exhibit 4: Ongoing Ampligen Cancer Clinical Studies (as of November 15, 2022)

Immuno-Therapy Targeting Multiple Cancers with High Unmet Need

- Locally Advanced Pancreatic Cancer ("LAPC") – The Company recently commenced its Phase 2 study of Ampligen as a therapy for LAPC (AMP-270) following receipt of Institutional Review Board ("IRB") approval for the trial protocol. The AMP-270 clinical trial is a randomized, open-label, controlled, parallel-arm study with the primary objective of comparing the efficacy of Ampligen versus a no treatment control group following FOLFIRINOX for subjects with locally advanced pancreatic adenocarcinoma. Secondary objectives include comparing safety and tolerability. AMP-270 is expected to enroll approximately 90 subjects in up to 30 centers across the United States and Europe. The Buffett Cancer Center at the University of Nebraska Medical Center and Erasmus MC in the Netherlands are expected to be the primary study sites. ClinicalTrials.gov: NCT05494697.
- Advanced Recurrent Ovarian Cancer – Phase 1/2 study of intraperitoneal chemo-immunotherapy in advanced recurrent ovarian cancer. Phase 1 portion was completed and published in the American Association for Cancer Research publication, Clinical Cancer Research (Clin Cancer Res January 19, 2022 DOI: 10.1158/1078-0432.CCR-21-3659). The Phase 2 portion of the study is planned to be conducted in the future. ClinicalTrials.gov: NCT02432378
- Advanced Recurrent Ovarian Cancer – A follow-up Phase 2 study of advanced recurrent ovarian cancer using cisplatin and pembrolizumab, plus Ampligen; up to 45 patients to be enrolled; numerous patients have commenced treatment. We announced interim data from the study demonstrating that evidence of increased biomarkers associated with T cell chemotaxis and cytolytic function was seen when combining Ampligen, pembrolizumab and cisplatin. Increases of these biomarkers in the tumor microenvironment have been correlated with favorable tumor responses. Interim results announced March 2022 detailed an observed clinical response rate of 61% includes two complete and three partial tumor responses, plus three patients with stable disease among the 13 evaluable patients. An important priority will be to confirm these findings through continuing to enroll patients onto this study. ClinicalTrials.gov: NCT03734692
- Stage 4 Colorectal Cancer Metastatic to the Liver – Phase 2a study of Ampligen as a component of a chemokine modulatory regimen on colorectal cancer metastatic to liver was completed and met primary endpoint, evidenced by increased CD8a expression post-treatment ($p=0.046$).; 15 patients were treated and 12 patients were evaluable for the primary endpoint. Data suggest that chemokine modulatory (CKM) regimen with Ampligen may be useful to enhance effectiveness of immunotherapies. The data from the Phase 2a study was presented in April 2022 at the American Association for Cancer Research (AACR) Annual Meeting 2022. ClinicalTrials.gov: NCT03403634
- Stage 4 Metastatic Triple Negative Breast Cancer – Phase 1 study of metastatic triple-negative breast cancer using CKM therapy, including Ampligen and pembrolizumab, successfully met primary endpoint. Positive data from this proof-of-concept study demonstrate that short-term systemic CKM followed by pembrolizumab is well-tolerated and selectively enhances local cytotoxic T-lymphocyte (CTL) infiltration in the tumor microenvironment (TME). The data from the Phase 1 study was presented at the American Association for Cancer Research (AACR) Annual Meeting 2022 in April 2022. ClinicalTrials.gov: NCT03599453
- Early-Stage Prostate Cancer – Phase 2 study investigating the effectiveness and safety of aspirin and Ampligen with or without interferon-alpha 2b (Intron A) compared to no drug treatments in a randomized three-arm study of patients with prostate cancer before undergoing radical prostatectomy. Patient enrollment has been initiated in this study designed for up to 45 patients. ClinicalTrials.gov: NCT03899987
- Early-Stage Triple Negative Breast Cancer – Phase 1 study of chemokine modulation plus neoadjuvant chemotherapy in patients with early-stage triple negative breast cancer has received FDA authorization. The objective of this study is to evaluate the safety and tolerability of a combination of Ampligen and celecoxib with or without Intron A, when given along with chemotherapy. The goal of this approach is to increase survival. Positive data was recently presented at the SITC 37th Annual Meeting demonstrating the Chemokine-Modulating (CKM) Regimen including Ampligen was well tolerated, with promising clinical activity of pathologic complete response (pCR) + microinvasive residual disease (ypTmic). Planning is underway for a Phase 2 study in early-stage TNBC to determine if CKM including Ampligen may be a safe and effective alternative to pembrolizumab or pembrolizumab/neoadjuvant chemotherapy. ClinicalTrials.gov: NCT04081389
- Refractory Melanoma – Phase 2 study that will evaluate polarized dendritic cell vaccine, interferon alpha-2, Ampligen and celecoxib for the treatment of HLA-A2+ refractory melanoma at Roswell Park. Up to 24 patients to be enrolled. ClinicalTrials.gov: NCT04093323
- Advanced Ovarian Cancer – AIM plans to develop a Phase 2 Cisplatin Resistant Advanced Recurrent Ovarian Cancer Clinical Study utilizing Ampligen at the University of Pittsburgh.

Source: Company reports.

Exhibit 5: Ampligen for COVID-19 and ME/CFS (as of November 15, 2022)

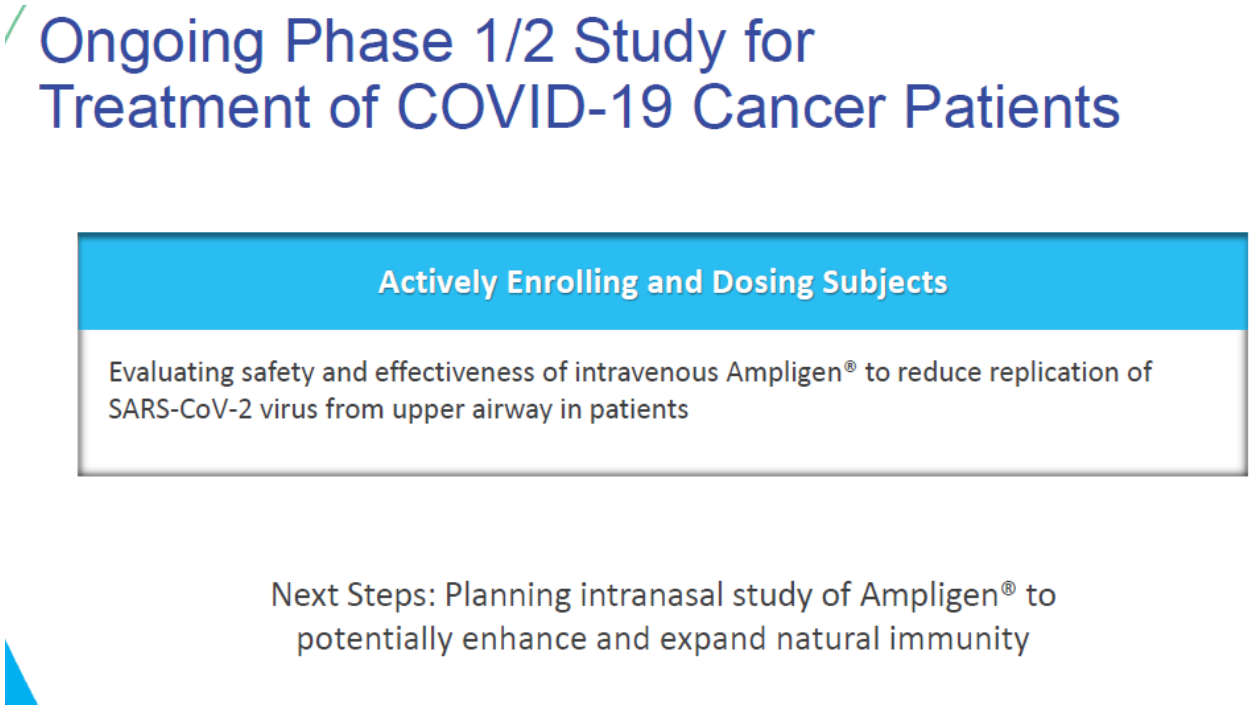
Broad-Spectrum Immune System Response Against SARS-CoV-2 (COVID-19)

Previous animal studies yielded positive results utilizing Ampligen in Western Equine Encephalitis Virus, Ebola, Vaccinia Virus (which is used in the manufacture of smallpox vaccine) and SARS-CoV-1. The Company has conducted experiments in SARS-CoV-2 showing Ampligen has a powerful impact on viral replication. The prior studies of Ampligen in SARS-CoV-1 animal experimentation may predict similar protective effects against SARS-CoV-2. AIM is currently evaluating the safety and effectiveness of intravenous Ampligen to reduce replication of SARS-CoV-2 virus from upper airway in patients in an ongoing Phase 1/2 study for the treatment of COVID-19 cancer patients. The Company plans to conduct an intranasal study of Ampligen to potentially enhance and expand natural immunity.

The FDA has authorized Ampligen in a clinical trial of patients with COVID-19 who have a pre-existing cancer. That Phase 1/2a study utilizing Ampligen is underway in the investigator-sponsored Phase 2 trial at the Roswell Park Comprehensive Cancer Center. ClinicalTrials.gov: NCT04379518

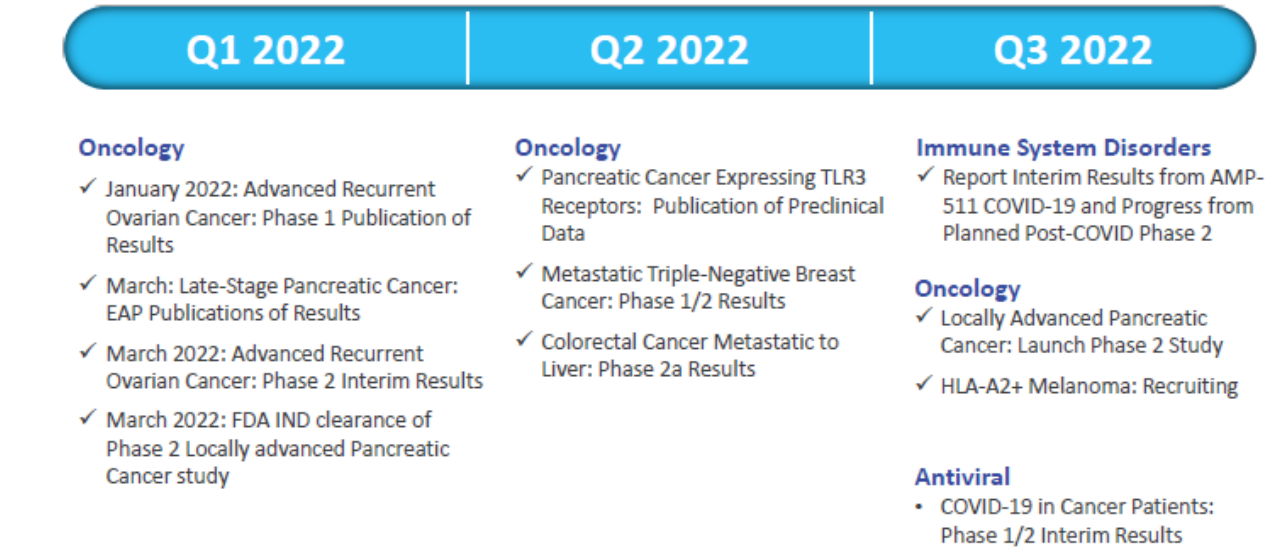
Immune System Disorders (ISD): Myalgic encephalomyelitis/chronic fatigue syndrome (ME/CFS) / COVID-19 Long Hauler

The Company is currently sponsoring an ongoing, FDA-authorized AMP-511 (See: ClinicalTrials.gov: NCT00215813) expanded access program (EAP) for ME/CFS patients in the United States. AIM has enrolled five post-COVID patients with new onset ME/CFS following acute COVID-19. Preliminary results based on data from the first 4 patients, following at least 12 weeks of Ampligen treatment indicated they had experienced a reduction in fatigue, as measured via Patient-Reported Outcomes questionnaires. A statistical analysis of these data indicated that the decrease in fatigue compared to baseline was statistically significant ($p<0.002$), despite the small number of patients. Based in part on these early positive data, the FDA recently provided their clearance of the Company's IND application for a Phase 2 study of Ampligen for the treatment of Post-COVID Conditions.



Source: Company reports.

Exhibit 6: AIM Upcoming Milestones (as of October 2022)



Source: Company reports.

Exhibit 7: Q3 2022 and Recent Highlights (as of November 15, 2022)

– Company continues to execute and is well-positioned to achieve multiple near-term clinical and regulatory value-driving milestones

– Cash position expected to fund operations through end of 2023

Recent Highlights

- Presented positive data from research led by Roswell Park Comprehensive Cancer Center medical oncologist, Shipra Gandhi, MD, evaluating Ampligen® (rintatolimod) as a component of a CKM regimen for the treatment of early-stage triple negative breast cancer (TNBC) at the Society for Immunotherapy of Cancer (SITC) 37th Annual Meeting.
- Received Orphan Drug Designation for Ampligen® (rintatolimod) for the treatment of Ebola Virus Disease.
- Announced FDA clearance of IND application to evaluate Ampligen in Phase 2 clinical study for the treatment of post-COVID conditions.
- Commenced enrollment with study collaborator, Roswell Park, in an NCI-funded Phase 2 clinical trial evaluating Ampligen in primary PD-1/PD-L1 Resistant Melanoma.
- Announced commencement of Phase 2 study of Ampligen for the treatment of Pancreatic Cancer.

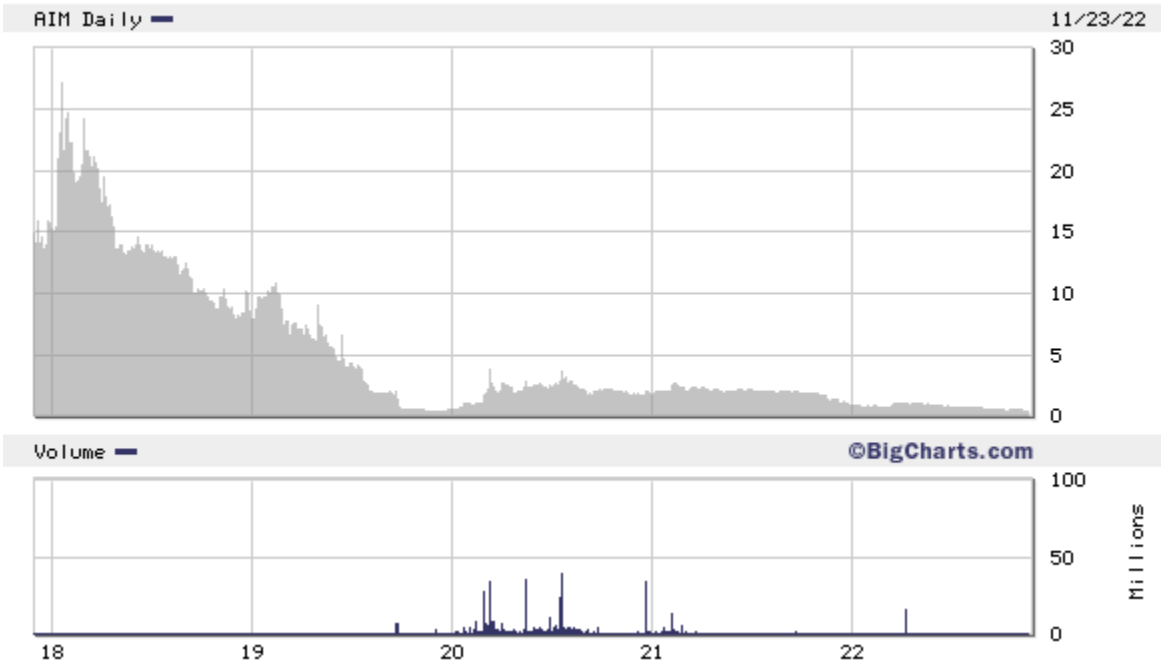
businesswire

AIM ImmunoTech Shareholders Elect All Three Company Director Nominees at 2022 Annual Meeting

November 3, 2022 · 3 min read

Source: Company reports.

Exhibit 8: AIM ImmunoTech Stock Price (Five Years)



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

Exhibit 9: Consensus Expectations (as of November 15, 2022)

	Revenue (mil)	
	2022E	2023E
Q1 Mar	$0.0A	
Q2 Jun	$0.0A	
Q3 Sep	$0.2E	
Q4 Dec	$0.2E	
Total	$0.4E	$1.0E

	EPS	
	2022E	2023E
Q1 Mar	$(0.08)A	
Q2 Jun	$(0.10)A	
Q3 Sep	$(0.09)E	
Q4 Dec	$(0.10)E	
Total	$(0.35)E	$(0.39)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

AIM ImmunoTech Inc.

Income Statement ($ mils)	Mar-20	Jun-20	Sep-20	Dec-20	2020	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	**0.0**	**0.0**	**0.0**	**0.0**	**0.2**	**0.0**	**0.0**	**0.0**	**0.1**	**0.1**	**0.0**	**0.0**	**0.0**	**0.1**	**0.1**	**0.0**	**0.0**	**0.0**	**0.1**	**0.2**
Cost of Revenues	0.2	0.2	0.2	0.2	0.8	0.2	0.3	0.2	0.2	0.9	0.1	0.1	0.0	0.1	0.3	0.1	0.1	0.1	0.1	0.3
Gross Profit	(0.2)	(0.2)	(0.2)	(0.2)	(0.6)	(0.2)	(0.3)	(0.1)	(0.1)	(0.7)	(0.0)	(0.0)	0.0	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	(0.1)	(0.2)
Research and development	0.9	1.5	1.1	2.3	5.7	1.4	1.3	2.0	2.9	7.7	1.0	2.5	1.4	3.5	8.4	3.0	3.0	3.0	3.0	12.0
General and administrative	2.3	1.7	2.1	2.6	8.7	2.1	2.1	1.8	2.6	8.7	2.1	2.2	5.2	2.0	11.4	2.2	2.2	2.2	2.2	8.8
Restructuring and other				0.1	0.1				1.8	1.8					0.0					0.0
Total operating expenses	3.2	3.2	3.2	5.0	14.5	3.5	3.5	3.8	7.3	18.1	3.1	4.7	6.5	5.5	19.8	5.2	5.2	5.2	5.2	20.8
Operating income (loss)	**(3.3)**	**(3.3)**	**(3.4)**	**(5.1)**	**(15.2)**	**(3.7)**	**(3.7)**	**(3.9)**	**(7.4)**	**(18.8)**	**(3.2)**	**(4.7)**	**(6.5)**	**(5.6)**	**(19.9)**	**(5.2)**	**(5.2)**	**(5.2)**	**(5.3)**	**(21.0)**
Interest income (expense)	(0.3)	(0.2)	0.0	0.0	(0.5)	0.0	0.0	(0.0)	(0.1)	(0.1)	0.0	0.1	0.2	0.0	0.3	0.0	0.0	0.0	0.0	0.0
Other income (expense)	(0.2)	0.2	0.0	1.2	1.2	0.1	(2.2)	0.1	1.7	(0.2)	(0.7)	(0.2)	(0.0)		(1.0)					0.0
Income before income taxes	(3.8)	(3.4)	(3.3)	(3.9)	(14.4)	(3.6)	(5.9)	(3.8)	(5.8)	(19.1)	(3.8)	(4.9)	(6.4)	(5.6)	(20.6)	(5.2)	(5.2)	(5.2)	(5.3)	(21.0)
Income taxes					0.0					0.0				0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (loss)	(3.8)	(3.4)	(3.3)	(3.9)	(14.4)	(3.6)	(5.9)	(3.8)	(5.8)	(19.1)	(3.8)	(4.9)	(6.4)	(5.6)	(20.6)	(5.2)	(5.2)	(5.2)	(5.3)	(21.0)
Nonrecurring/noncash adjustments					0.0					0.0					0.0					0.0
Net income (pro forma)	**(3.8)**	**(3.4)**	**(3.3)**	**(3.9)**	**(14.4)**	**(3.6)**	**(5.9)**	**(3.8)**	**(5.8)**	**(19.1)**	**(3.8)**	**(4.9)**	**(6.4)**	**(5.6)**	**(20.6)**	**(5.2)**	**(5.2)**	**(5.2)**	**(5.3)**	**(21.0)**
EBITDA																				
Shares, Basic	17.5	30.0	38.9	41.0	31.8	45.7	47.8	47.8	47.8	47.3	48.0	48.0	48.1	48.2	48.1	48.3	48.4	48.5	48.6	48.4
Shares, Diluted	17.5	30.0	38.9	41.0	31.8	45.7	47.8	47.8	47.8	47.3	48.0	48.0	48.1	48.2	48.1	48.3	48.4	48.5	48.6	48.4
EPS Basic (Pro forma)	**($0.22)**	**($0.11)**	**($0.08)**	**($0.10)**	**($0.45)**	**($0.08)**	**($0.12)**	**($0.08)**	**($0.12)**	**($0.40)**	**($0.08)**	**($0.10)**	**($0.13)**	**($0.12)**	**($0.43)**	**($0.11)**	**($0.11)**	**($0.11)**	**($0.11)**	**($0.43)**
EPS Diluted (Pro forma)	($0.22)	($0.11)	($0.08)	($0.10)	($0.45)	($0.08)	($0.12)	($0.08)	($0.12)	($0.40)	($0.08)	($0.10)	($0.13)	($0.12)	($0.43)	($0.11)	($0.11)	($0.11)	($0.11)	($0.43)
Margins																				
Gross margin	-353%	-400%	-467%	-371%	-394%	-746%	-1113%	-376%	-247%	-530%	-133%	-130%	100%	-100%	-84%	-100%	-100%	-100%	-100%	-100%
Research and development	1996%	3658%	3061%	5374%	3509%	5086%	5726%	6079%	5735%	5683%	3139%	8250%	6533%	6239%	5984%	9091%	10000%	9524%	5348%	7968%
General and administrative	5040%	4293%	5792%	6152%	5309%	7543%	9326%	5452%	5129%	6424%	6279%	7270%	24619%	3565%	8153%	6667%	7333%	6984%	3922%	5843%
Operating margin	-7389%	-8350%	-9319%	########	-9296%	-13375%	-16165%	-11906%	########	-13954%	-9552%	-15650%	-31052%	-9904%	########	########	########	########	-9369%	########
Tax rate, GAAP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net margin	-8462%	-8425%	-9183%	-9324%	-8834%	-12782%	-25548%	-11594%	########	-14168%	-11576%	-16170%	-30405%	-9904%	########	########	########	########	-9369%	########
Y/Y % change																				
Total Revenue	#DIV/0!	38%	-41%	-16%	16%	-38%	-43%	-8%	21%	-17%	18%	30%	-36%	10%	4%	0%	0%	50%	0%	7%
Gross margin	-31%	-14%	-1%	-7%	-15%	31%	60%	-26%	-19%	11%	-79%	-85%	-117%	-55%	-83%	-25%	-23%	-250%	0%	28%
Research and development	-3%	33%	-7%	57%	23%	59%	-10%	82%	30%	34%	-27%	88%	-32%	20%	9%	190%	21%	119%	-14%	43%
General and administrative	28%	-12%	13%	74%	23%	-7%	25%	-14%	1%	0%	-2%	2%	187%	-24%	32%	6%	1%	-57%	10%	-23%
Operating income (loss)	14%	4%	5%	66%	22%	13%	11%	17%	45%	24%	-16%	26%	66%	-25%	6%	66%	11%	-20%	-5%	5%
Net income (loss)	13%	66%	12%	230%	51%	-6%	74%	16%	49%	33%	7%	-17%	67%	-5%	8%	37%	8%	-18%	-5%	2%
EPS Diluted (Pro forma)	-93%	-89%	-92%	-28%	-83%	-64%	9%	-6%	28%	-11%	2%	-18%	66%	-6%	6%	36%	7%	-19%	-6%	1%

Source: Company reports and Ascendiant Capital Markets estimates.

AIM ImmunoTech Inc.

Balance Sheet ($ mils)	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	27.6	33.9	38.5	38.5	48.8	41.1	37.3	32.1	29.0	34.5	29.8	30.1	25.8	20.7	15.5	10.3
Short term investments	0.5	1.1	1.1	0.5	1.2		0.5	16.2	15.6	7.3	7.0	7.0	7.0	7.0	7.0	7.0
Accounts receivable, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0					0.0	0.0	0.0	0.0	0.0
Inventory												0.0	0.0	0.0	0.0	0.0
Deferred income taxes												0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other	1.6	0.1	0.1	1.3	1.2	0.2	0.2	1.9	5.8	4.3	4.4	0.3	0.2	0.2	0.2	0.3
Total current assets	29.7	35.2	39.8	40.3	51.2	41.3	38.0	50.2	50.4	46.0	41.2	37.4	33.0	27.9	22.7	17.6
Long term securities/investments	3.0	5.3	14.8	15.4	13.7	16.1	15.8					0.0	0.0	0.0	0.0	0.0
Property and equipment, net	7.0	6.8	6.6	6.5	6.3	6.1	6.0	4.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Intangibles, net	1.2	1.4	1.4	1.5	1.8	1.8	1.8	2.0	3.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Deferred income tax												0.0	0.0	0.0	0.0	0.0
Other	1.5	1.5	1.5	0.9	1.1	1.3	1.4	1.5	0.1	2.7	3.0	0.0	0.0	0.0	0.0	0.0
Total assets	**42.4**	**50.1**	**64.2**	**64.6**	**74.1**	**66.7**	**63.1**	**57.7**	**54.2**	**50.9**	**46.3**	**39.5**	**35.1**	**30.0**	**24.8**	**19.7**
Liabilities and stockholders' equity																
Accounts payable	0.2	0.3	0.2	0.4	0.2	0.5	0.4	0.2	0.4	0.7	1.0	0.6	0.7	0.6	0.6	0.6
Accrued expenses	0.3	0.3	0.3	0.4	0.5	0.4	0.4	0.4	0.3	0.5	1.8	0.6	1.0	0.9	0.6	0.6
Accrued interest												0.0	0.0	0.0	0.0	0.0
Deferred revenue												0.0	0.0	0.0	0.0	0.0
Deferred income tax												0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.2	0.2	0.3	0.3	0.3	0.3	0.3
Short term debt	0.2	0.2	0.2	0.2	0.2							0.0	0.0	0.0	0.0	0.0
Total current liabilities	**0.7**	**0.8**	**0.8**	**1.1**	**1.0**	**0.9**	**0.8**	**0.7**	**0.8**	**1.4**	**2.9**	**1.4**	**2.0**	**1.8**	**1.6**	**1.4**
Deferred income taxes												0.0	0.0	0.0	0.0	0.0
Warrant liabilities	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Long term debt	6.2	2.0	1.9	1.9	1.8							0.0	0.0	0.0	0.0	0.0
Total other liabilities	**6.6**	**2.3**	**2.3**	**2.2**	**2.2**	**0.3**	**0.3**	**0.1**	**0.1**	**0.7**	**0.7**	**0.7**	**0.7**	**0.7**	**0.7**	**0.7**
Preferred stock	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.6	0.9	1.1	1.4
Additional paid-in capital	366.2	381.4	398.9	402.5	416.0	416.4	416.8	417.2	417.5	417.8	418.1	418.1	418.1	418.1	418.1	418.1
Retained earnings	(331.9)	(335.3)	(338.6)	(342.0)	(345.6)	(351.4)	(355.3)	(361.1)	(364.9)	(369.8)	(376.2)	(381.7)	(386.9)	(392.2)	(397.4)	(402.7)
Treasury stock												0.0	0.0	0.0	0.0	0.0
Accumulated other comprehensive in	(0.0)	0.1	(0.0)	(0.0)	(0.2)	(0.2)	(0.3)					0.0	0.0	0.0	0.0	0.0
Other												0.0	0.0	0.0	0.0	0.0
Total stockholders' equity	**35.1**	**47.0**	**61.1**	**61.3**	**71.0**	**65.5**	**62.0**	**56.9**	**53.3**	**48.8**	**42.7**	**37.4**	**32.5**	**27.5**	**22.5**	**17.6**
Total stockholders' equity and liabil	**42.4**	**50.1**	**64.2**	**64.6**	**74.1**	**66.7**	**63.1**	**57.7**	**54.2**	**50.9**	**46.3**	**39.5**	**35.1**	**30.0**	**24.8**	**19.7**

Balance Sheet Drivers

	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	3500%	295%	253%	3033%	4457%	674%	488%	3814%	17688%	14243%	20976%	500%	500%	500%	500%	500%
Accounts payable as % of total rev	367%	638%	569%	912%	675%	1961%	1118%	388%	1145%	2373%	4557%	1000%	2000%	2000%	2000%	1000%
Inventories as % of cost of rev	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	#DIV/0!	0%	0%	0%	0%	0%
Accrued expenses as % of total rev	636%	813%	894%	1052%	1779%	1622%	1097%	859%	994%	1673%	8414%	1000%	3000%	3000%	2000%	1000%
Activity Ratios																
A/R Days Sales Outstanding	92	104	65	73	109	110	76	0	0	0	0	70	70	70	70	70
Inventory Turnover	#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!
A/P Days Payable	73	115	90	174	72	145	212	101	442	929	#DIV/0!	450	900	900	900	450
Book & Cash Value (per share)																
Book Value per Share (diluted)	$2.01	$1.57	$1.57	$1.49	$1.55	$1.37	$1.30	$1.19	$1.11	$1.02	$0.89	$0.78	$0.67	$0.57	$0.47	$0.36
Cash per Share (diluted)	$1.78	$1.34	$1.40	$1.33	$1.39	$1.20	$1.12	$1.01	$0.93	$0.87	$0.76	$0.77	$0.68	$0.57	$0.46	$0.36
Net cash per Share (diluted)	$1.41	$1.27	$1.34	$1.27	$1.35	$1.20	$1.12	$1.01	$0.93	$0.87	$0.76	$0.77	$0.68	$0.57	$0.46	$0.36

Source: Company reports and Ascendiant Capital Markets estimates

AIM ImmunoTech Inc.

Cash Flow Statement ($ mils)	Mar-20	Jun-20	Sep-20	Dec-20	2020	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Cash flow from operating activities																				
Net income	(3.8)	(3.4)	(3.3)	(3.9)	(14.4)	(3.6)	(5.9)	(3.8)	(5.8)	(19.1)	(3.8)	(4.9)	(6.4)	(5.6)	(20.6)	(5.2)	(5.2)	(5.2)	(5.3)	(21.0)
Depreciation	0.2	0.2	0.2	0.2	0.7	0.2	0.2	0.2	0.2	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	0.2	(0.1)	(0.0)	0.0	0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0		0.1					0.0
Debt related amortization expen	0.2	(0.1)	0.0	0.0	0.1	0.0	0.0			0.0					0.0					0.0
Stock comp	0.2	0.1	0.3	0.4	1.0	0.5	0.5	0.3	0.2	1.6	0.2	0.3	0.3	0.3	1.1	0.3	0.3	0.3	0.3	1.1
Deferred income taxes					0.0	(0.2)	0.2	(0.5)	0.5	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					0.0
Reserves					0.0					0.0					0.0					0.0
Change in fair value of warrant l	0.2	(0.0)	(0.0)	(0.0)	0.1	0.0	(0.0)	(0.1)	(0.1)	(0.1)	(0.0)	(0.0)	(0.7)		(0.8)					0.0
Writedowns and impairments				1.4	1.4				1.8	1.8					0.0					0.0
Other gains/losses	(0.0)	0.2	(0.1)	(0.1)	0.0		2.0	0.6	(2.4)	0.2	0.7	(0.5)	1.5		1.8					0.0
Other		0.0	(0.1)	0.0	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	(0.0)	(0.7)		(0.7)					0.0
Changes in operating assets and liabilities:																				
Accounts receivable	(0.0)	0.8	0.0	(0.8)	0.0		0.0		0.0	0.0				(0.0)	(0.0)	0.0	0.0	(0.0)	(0.0)	0.0
Inventory					0.0					0.0				0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses & other curre	0.0	0.7	0.1	(0.1)	0.7	0.0	0.0	(0.0)	1.6	1.6	0.0	1.6	(2.1)	4.1	3.6	0.1	0.0	(0.0)	(0.1)	0.0
Income tax				(0.3)	(0.3)		1.1		(1.1)	0.0					0.0					0.0
Other assets	(0.0)	(0.0)	(0.2)	0.3	0.0	(0.0)	(0.0)	(0.0)	(0.5)	(0.6)	(0.0)	0.7	1.6	3.0	5.3	0.0	0.0	0.0	0.0	0.0
Accounts payable	(0.3)	0.1	0.4	(0.3)	(0.1)	(0.2)	0.3	(0.1)	(0.2)	(0.2)	0.2	0.3	0.2	(0.4)	0.4	0.1	(0.1)	0.0	(0.1)	0.0
Accrued expenses	(0.1)	0.0	(0.2)	0.4	0.0	0.1	(0.1)	(0.0)	0.1	(0.0)	(0.1)	0.2	1.3	(1.2)	0.1	0.4	(0.1)	(0.3)	(0.1)	0.0
Accrued interest	0.1	0.1		0.0	0.2					0.0				0.0	0.0	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
Other liabilities					0.0					0.0				0.1	0.1	0.0	0.0	0.0	0.0	0.0
Net cash (used in) provided by	**(3.1)**	**(1.5)**	**(3.0)**	**(2.9)**	**(10.4)**	**(3.0)**	**(1.7)**	**(3.5)**	**(5.7)**	**(14.0)**	**(2.8)**	**(2.3)**	**(5.0)**	**0.3**	**(9.7)**	**(4.3)**	**(5.1)**	**(5.2)**	**(5.3)**	**(19.8)**
Cash flow from investing activities																				
Purchases of property and equi	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)		0.2	(0.0)	(0.0)	0.2				0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchases of short-term investm	3.8	(2.9)	(9.6)	0.1	(8.6)	0.9	(1.4)	(0.3)	0.5	(0.2)	(0.3)	7.8	(0.0)		7.4					0.0
Acquisitions	(0.3)			(0.3)	(0.6)	(0.4)		(0.1)	(0.1)	(0.6)	(0.0)	(0.0)	0.3		0.2					0.0
Other					0.0					0.0					0.0					0.0
Net cash used in investing activ	**3.5**	**(2.9)**	**(9.6)**	**(0.2)**	**(9.2)**	**0.5**	**(1.2)**	**(0.4)**	**0.4**	**(0.6)**	**(0.3)**	**7.7**	**0.3**	**0.0**	**7.6**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Cash flow from financing activities																				
Issuance of debt				(0.4)	(0.4)					0.0				0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of debt	(0.1)	(4.4)	(0.1)	0.2	(4.3)	(0.1)	(4.8)	(0.0)	0.0	(4.9)					0.0					0.0
Issuance of stock	25.8	15.0	17.2	3.2	61.2	12.9		0.0	0.1	13.0		0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Repurchase of common stock					0.0					0.0					0.0					0.0
Proceeds from stock option exercises					0.0					0.0					0.0					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	**25.7**	**10.7**	**17.2**	**3.0**	**56.6**	**12.8**	**(4.8)**	**0.0**	**0.1**	**8.2**	**0.0**	**0.1**	**0.0**	**0.0**	**0.1**	**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	**26.1**	**6.3**	**4.6**	**0.0**	**37.0**	**10.3**	**(7.6)**	**(3.8)**	**(5.3)**	**(6.4)**	**(3.1)**	**5.5**	**(4.7)**	**0.3**	**(2.0)**	**(4.3)**	**(5.1)**	**(5.2)**	**(5.3)**	**(19.8)**
Beginning cash and equivalents	**1.5**	**27.6**	**33.9**	**38.5**	**1.5**	**38.5**	**48.8**	**41.1**	**37.3**	**38.5**	**32.1**	**29.0**	**34.5**	**29.8**	**32.1**	**30.1**	**25.8**	**20.7**	**15.5**	**30.1**
Ending cash and equivalents	**27.6**	**33.9**	**38.5**	**38.5**	**38.5**	**48.8**	**41.1**	**37.3**	**32.1**	**32.1**	**29.0**	**34.5**	**29.8**	**30.1**	**30.1**	**25.8**	**20.7**	**15.5**	**10.3**	**10.3**

Source: Company reports and Ascendiant Capital Markets estimates

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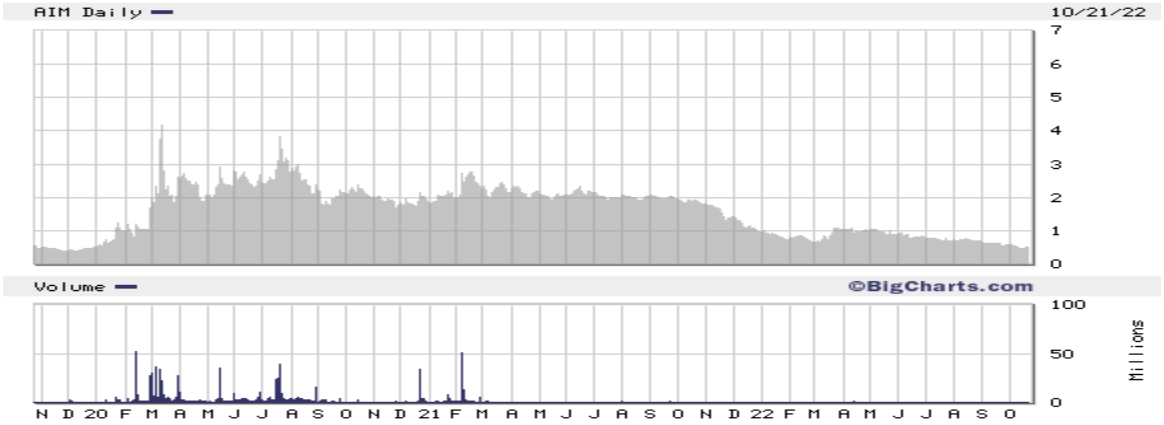
AIM ImmunoTech Inc.



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

Report	Report Date	Rating	Price Target
1	10/29/2018	Buy	33.00
2	11/21/2018	Buy	30.80
3	4/2/2019	Buy	28.60
4	5/16/2019	Buy	26.40
5	8/21/2019	Buy	6.00
6	11/17/2019	Buy	2.50
7	1/26/2020	Buy	3.00
8	4/4/2020	Buy	6.00
9	5/24/2020	Buy	7.00
10	8/21/2020	Buy	7.25
11	11/28/2020	Buy	7.50
12	4/6/2021	Buy	7.75
13	5/21/2021	Buy	8.00
14	9/7/2021	Buy	8.50
15	11/28/2021	Buy	8.75
16	4/12/2022	Buy	8.00
17	6/4/2022	Buy	7.50
18	9/11/2022	Buy	7.25

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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.

Ascendiant 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.

Ascendiant 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.

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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.

Ascendiant Capital Markets, LLC Distribution of Investment Ratings (as of October 7, 2022)

			Investment Banking Services Past 12 months	
Rating	**Count**	**Percent**	**Count**	**Percent**
Buy	43	98%	17	40%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	44	100%	17	39%

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.

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