

Cingulate Inc.

Reports Q2 and positive trial data. Expected positive milestones and clinical data in 2023/24 should drive stock much higher. Raising P/T to \$7.25.

Reports Q2: Cingulate recently (on August 14) reported its Q2 2023 (ending June) results. Net loss was \$6.6 million or EPS of \$(0.57) compared with our estimates of \$(0.38) and consensus of \$(0.35). There was no guidance. Cingulate is a clinical stage drug development company so it has no revenue.

Operating expenses: Operating expenses were \$6.4 million, up from Q1 2023's \$3.8 million due to higher clinical activities.

No guidance: Management did not provide forward guidance.

Adjusting estimates: We are adjusting our 2023 EPS estimate to \$(1.33) from \$(1.62).

Reports positive CTx-1301 trial data: The company started its pivotal Phase 3 clinical trials for CTx-1301 in December 2022. In July 2023 (just completed Q3), the company reported positive Topline results that demonstrated a positive effect in subjects that received CTx-1301 versus subjects that received placebo.

Focused on ADHD: The company's initial focus is on the treatment of Attention Deficit/Hyperactivity Disorder (ADHD). The company is developing two proprietary first-line stimulant medications, CTx-1301 and CTx-1302, for the treatment of ADHD for all patient segments. The company also has a third product to treat anxiety, CTx-2103, in a formulation (preclinical trials) stage.

Precision Timed Release (PTR): The underlying medicines in CTx-1301 (dexamethylphenidate) and CTx-1302 (dextroamphetamine) are well established approved drugs for ADHD, but the differentiation in Cingulate's new drugs is their usage of its Precision Timed Release (PTR) drug delivery platform. CTx-1301 and CTx-1302 utilize a flexible core tableting technology designed to allow for the release of drug substance at specific, pre-defined time intervals, unlocking the potential for once-daily, multi-dose tablets.

CTx-1301: If the Phase 3 study results are positive, Cingulate plans to submit the NDA (new drug application) to the FDA for CTx-1301 in 2H 2024 with potential approval and commercialization in 2025.

CTx-1302: The company plans to initiate a Phase 1/2 bioavailability study for CTx-1302 in ADHD patients in mid-2024. If the results from this study are successful, the company plans to initiate a pivotal Phase 3 clinical trials in all patient segments for CTx-1302 in late-2024/early-2025.

Large market potential: ADHD is a chronic neurobehavioral and developmental disorder that affects millions of children, adolescents and adults. In the U.S., ~6.4 million, or 11%, of children and adolescents aged 4-17 have been diagnosed with ADHD. Adult ADHD prevalence in the U.S. is estimated at ~11 million patients, or 4.4%, of the population. Total ADHD medication sales in the U.S have grown ~8% each year since 2010 and reaching ~\$18 billion in 2020.

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

Balance sheet: As of Q2, the company has ~\$0 million in cash and \$8 million in debt. In the just completed Q3, it raised \$5 million in stock and converted \$6 million of debt into stock. We believe it has enough cash into Q4 2023.

Current valuation very attractive: We are maintaining our BUY rating, but raising our 12-month price target to \$7.25 from \$7.00 based on a NPV analysis. This represents significant upside from the current share price and we believe appropriately balances out the high risks with large upside opportunities.

Company Description

Cingulate, based in Kansas City, KS, is a clinical stage biopharmaceutical company developing drugs utilizing its PTR drug delivery platform technology that enables once-daily tablets of multi-dose therapies.

COMPANY UPDATE

Rating: **BUY**

Ticker: CING

Price: \$0.62

Target: \$7.25
(from \$7.00)

Stock Data

Exchange:	NasdaqCM
52-week Range:	0.49 – 1.93
Shares Outstanding (million):	29
Market cap (\$million):	\$18
EV (\$million):	\$16
Debt (\$million):	\$3
Cash (\$million):	\$5
Avg. Daily Trading Vol. (\$million):	\$0.5
Float (million shares):	14
Short Interest (million shares):	0.5
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	2023E (Cur.)	2023E (Old)	2024E (Cur.)	2024E (Old)
Q1 Mar	0A		0E	
Q2 Jun	0A	0E	0E	
Q3 Sep	0E		0E	
Q4 Dec	0E		0E	
Total	0E		0E	
EV/Revs	N/A		N/A	

Earnings per Share (pro forma)

	2023E (Cur.)	2023E (Old)	2024E (Cur.)	2024E (Old)
Q1 Mar	(0.35)A		(0.18)E	(0.45)E
Q2 Jun	(0.57)A	(0.38)E	(0.18)E	(0.44)E
Q3 Sep	(0.40)E	(0.45)E	(0.18)E	(0.45)E
Q4 Dec	(0.19)E	(0.44)E	(0.18)E	(0.45)E
Total	(1.33)E	(1.62)E	(0.73)E	(1.79)E
P/E	N/A		N/A	

Important Disclosures

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

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 14.

Exhibit 1: Cingulate Inc. Corporate Overview

CINGULATE®

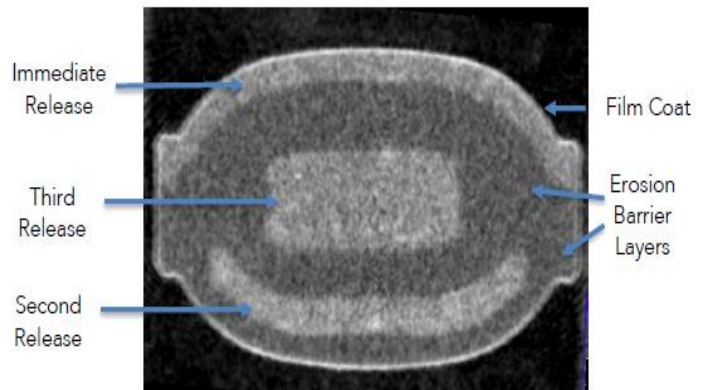


About Cingulate®

Cingulate is a clinical stage biopharmaceutical company focused on the development of innovative new product candidates for the treatments of Attention Deficit/Hyperactivity Disorder (ADHD) and anxiety associated disorders.

Developing Next-Generation Medications in Billion-Dollar Markets

Precision Timed Release™ (PTR™) Platform Unlocks the Possibility for 'True' Once-daily, Multi-dose Tablets



Source: Company reports.

Exhibit 2: Cingulate Highlights

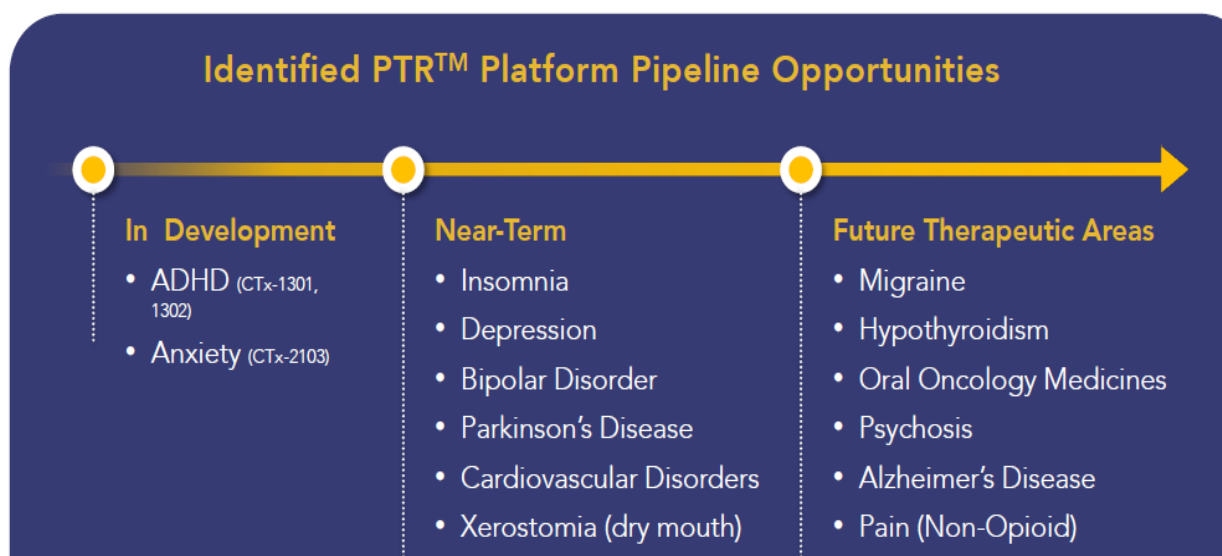
Company Highlights

- Innovative Drug Delivery Platform Focused on CNS – patented tri-modal Precision Timed Release (“PTR”) technology overcomes many of the shortcomings found in current CNS medicines.
- Lead Asset CTx-1301 Addresses Multiple Unmet Needs in ADHD - A once-daily, rapid onset tablet that provides entire active-day efficacy and improved tolerability.
- Multi-Billion Dollar Market Opportunity – total ADHD pharmacotherapy sales in 2022 exceeded \$20 billion, with over 90% from the stimulant class.
- De-risked and Well Understood Clinical Pathway - The 505(b)(2) clinical pathway is expected to reduce clinical risk and accelerate time to market. In addition, stimulants are well understood by FDA.
- Strong IP Protection - a robust patent portfolio covering the PTR drug delivery platform, composition of matter, methods, and their utility in pertinent indications, along with proprietary know-how.
- Indegene CTx-1301 Commercialization Agreement – Indegene will be an exclusive ADHD commercialization partner, providing *rapidly scalable* end-to-end solutions, including medical affairs, pharmacovigilance, pricing, reimbursement and market access services, commercial operations, and marketing services (including field force).
- Multiple Near-Term Catalysts – data readout for Phase 3 CTx-1301 adult onset/duration and completion of pivotal Phase 3 pediatrics MASTERY study in 2023

Source: Company reports.

Exhibit 3: Cingulate’s Precision Timed Release (PTR) Platform

PTR Facilitates a Potential Pipeline Addressing Multiple CNS Indications



Source: Company reports.

Exhibit 4: Cingulate Development Pipeline

Multiple Near-Term Milestones Expected



ADHD

CTx-1301

CTx-1302

- CTx-1301 Phase 1 Food Effect Clinical Data
- CTx-1301 Adult Onset / Duration Efficacy Trial
- Adult Onset / Efficacy Trial Data
- Initiate Pivotal CTx-1301 Phase 3 Trial in Adolescents and Children
- CTx-1301 Ped/Adolescent Onset / Duration Efficacy Trial
- Complete CTx-1301 Pivotal Phase 3 Child/Adolescent Onset / Efficacy Trial Data
- Prepare CTx-1302 For Planned Clinical Trials

Anxiety

CTx-2103

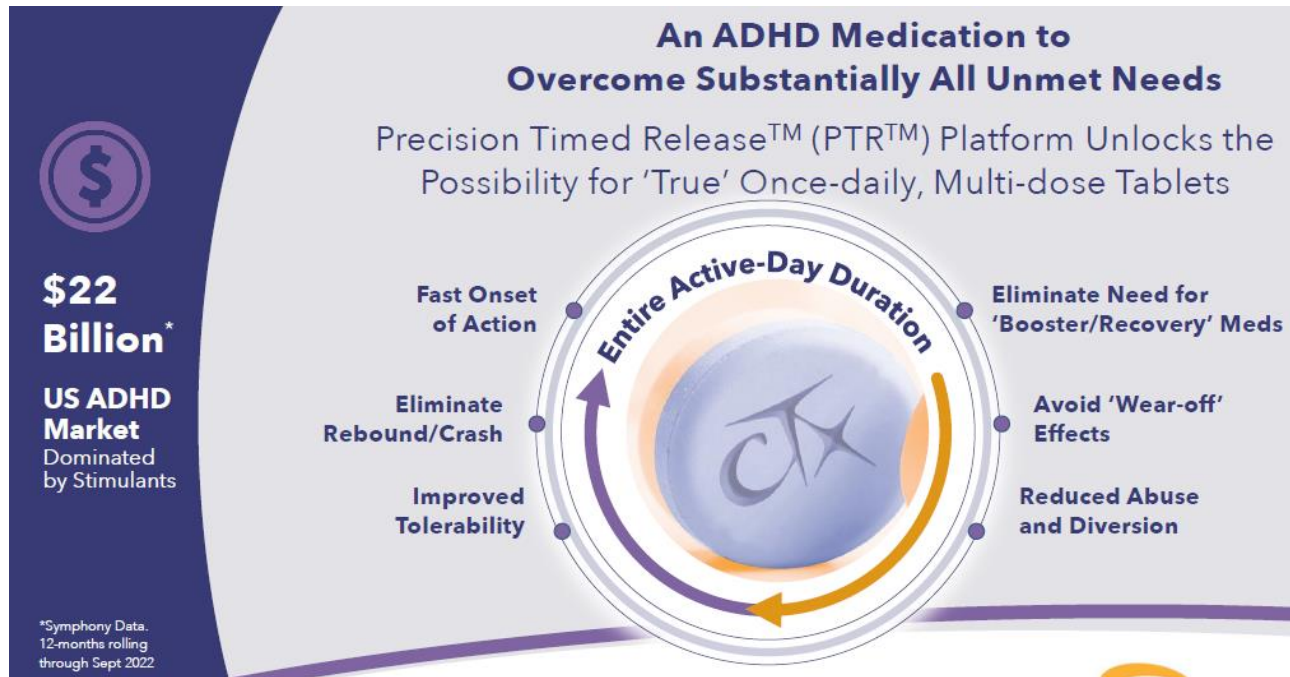
- CTx-2103 Formulation Study Report
- CTx-2103 Potential IND Formulation Study Presentation
- FDA Pre-IND Meeting

PTR™ Platform

- Expand Manufacturing Operations
- Pursue out license opportunity for PTR™ Platform
 - Potential Milestone Payments
 - Potential Royalty Payments
- Potential licensing of CTx-1301, CTx-1302, CTx-2103 outside of the United States
- Expand CING – BDD Partnership
- Expand BD&L Activities w/ PTR™

Source: Company reports.

Exhibit 5: ADHD (Attention-Deficit / Hyperactivity Disorder) Market Opportunities



The Cingulate Solution for ADHD Patients & Providers

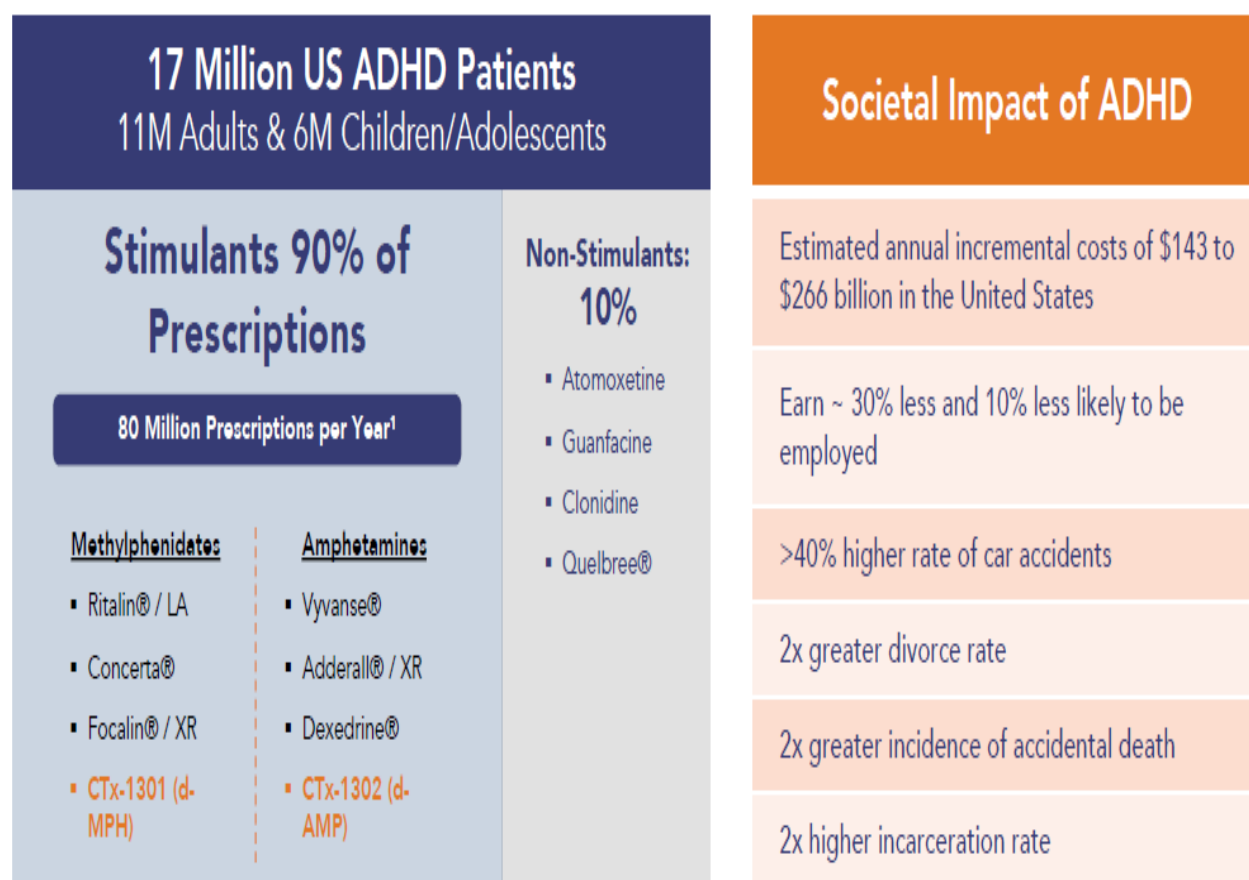


Source: Company reports.

Exhibit 6: ADHD (Attention-Deficit / Hyperactivity Disorder) Market Opportunities

Targeting Treatment of ADHD - \$22Bn US Market Opportunity

Frequently diagnosed, chronic pattern interfering with functioning / development



¹Symphony Data. 12-months rolling through Sept 2022

References: <https://www.cdc.gov/ncbddd/adhd/data.html>
Doshi et al. J Am Acad Child Adolesc Psychiatr. 2012;51(10):990-1002.

Source: Company reports.

Exhibit 7: Cingulate’s ADHD Drugs Differentiation

CTx-1301 (d-MPH) and CTx-1302 (d-AMP)

Ideal Design Provides Exclusive Ability to Overcome Unmet Needs

CINGULATE	TARGET ATTRIBUTES		RELEASE PROFILES		
	Onset	Duration	DOSE 1 / STYLE / TIME	DOSE 2 / STYLE / TIME	DOSE 3 / STYLE / TIME
CTx-1301 (d-MPH)	30 mins	Up to 16 hours	35% IMMEDIATE RELEASE	45% SUSTAINED RELEASE OVER 90 MINUTES AT HOUR 3	20% IMMEDIATE RELEASE AT HOUR 7
CTx-1302 (d-AMP)	30 mins	Up to 16 hours	45% IMMEDIATE RELEASE	35% SUSTAINED RELEASE OVER 90 MINUTES AT HOUR 3	20% IMMEDIATE RELEASE AT HOUR 7

CINGULATE	TARGET ATTRIBUTES		UNMET NEEDS			
	Onset	Duration	Fast Acting (≤ 30 min)	Entire Active-Day Efficacy	Avoid Crash/Rebound	Avoid Booster
CTx-1301 (d-MPH)	30 mins	Up to 16 hours	✓	✓	✓	✓
CTx-1301 (d-AMP)	30 mins	Up to 16 hours	✓	✓	✓	✓

 6.25-mg
  12.5-mg
  18.75-mg
  25-mg
  31.25-mg
  37.5-mg
  43.75-mg
  50-mg

Nine Significant Points of Differentiation

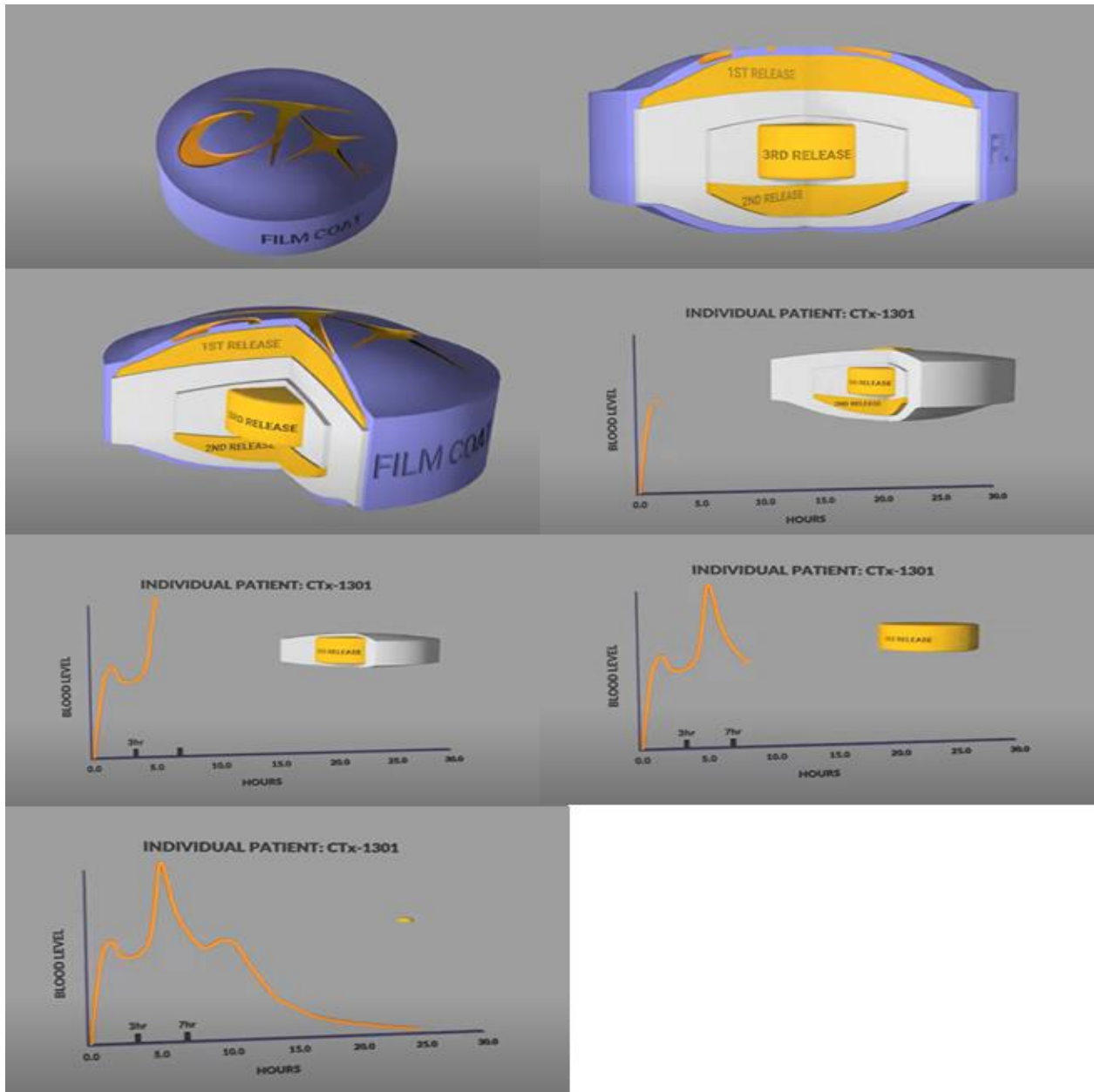
NO ADHD product available today combines all unmet needs

PTR™ technology affords our product candidates the following potential advantages over currently available ADHD treatments

- ✓ Provide ‘entire active-day’ efficacy
- ✓ Fast onset of action
- ✓ Eliminate need for booster/recovery dose
- ✓ Avoid crash and rebound effect
- ✓ Reduce abuse / diversion by eliminating booster
- ✓ Significantly improved tolerability
- ✓ Lower costs to patients, providers, and payers
- ✓ Ability to optimize with 8 dosage strengths
- ✓ Single-enantiomer API selection

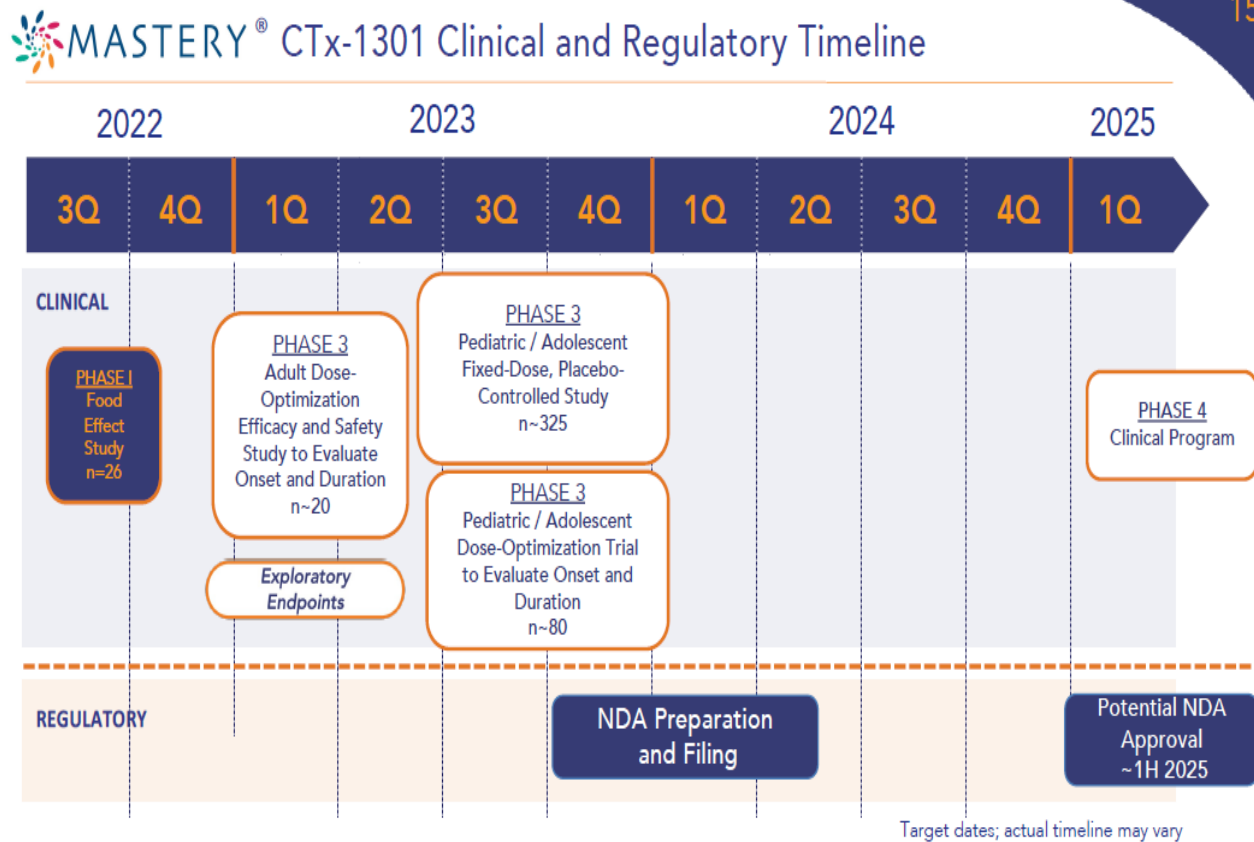
Source: Company reports.

Exhibit 8: Cingulate Precision Timed Release (PTR) Process



Source: Company reports.

Exhibit 9: MASTERY CTx-1301 Timeline



Source: Company reports.

Exhibit 10: Q2 2023 and Recent Business Highlights

Aug 14, 2023 Cingulate Inc. Reports Second Quarter 2023 Financial Results and Provides Clinical and Business Update

Werth Family Investment Associates Provides Additional Capital Investment
Phase 3 Adult Efficacy and Safety Trial of CTx-1301 Data Released
CTx-1301 Phase 3 Pediatric and Adolescent Studies Underway

Source: Company reports.

Exhibit 11: Cingulate Inc. Stock Price (2-Year since IPO in December 2021)



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

Exhibit 12: Consensus Expectations (as of August 14, 2023)

	Revenue (mil)			EPS	
	2023E	2024E		2023E	2024E
Q1 Mar	\$0.0A		Q1 Mar	\$(0.35)A	
Q2 Jun	\$0.0E		Q2 Jun	\$(0.35)E	
Q3 Sep	\$0.0E		Q3 Sep	\$(0.38)E	
Q4 Dec			Q4 Dec		
Total	\$0.0E	\$0.0E	Total	\$(1.47)E	\$(1.13)E

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

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

FINANCIAL MODEL

Cingulate Inc.

Income Statement (\$ mils)	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	Mar-24	Jun-24	Sep-24	Dec-24	2024
Fiscal Year End: December 31	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
Cost of Revenues	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
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
Research & development	0.6	0.8	5.8	1.3	8.4	2.8	2.2	2.1	1.9	9.0	2.1	4.5	4.0	3.5	14.1	3.0	3.0	3.2	3.2	12.4
General and administrative	0.8	0.6	9.5	1.4	12.3	2.2	1.9	1.8	2.5	8.5	1.7	1.9	2.0	2.0	7.6	2.1	2.1	2.1	2.1	8.4
Restructuring and other										0.0					0.0					0.0
Total operating expenses	1.3	1.4	15.3	2.6	20.7	5.0	4.0	4.0	4.5	17.5	3.8	6.4	6.0	5.5	21.7	5.1	5.1	5.3	5.3	20.8
Operating income (loss)	(1.3)	(1.4)	(15.3)	(2.6)	(20.7)	(5.0)	(4.0)	(4.0)	(4.5)	(17.5)	(3.8)	(6.4)	(6.0)	(5.5)	(21.7)	(5.1)	(5.1)	(5.3)	(5.3)	(20.8)
Interest income (expense)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0	0.0	(0.1)	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)	(0.1)	(0.8)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)
Other income (expense)										0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income before income taxes	(1.3)	(1.4)	(15.3)	(2.7)	(20.7)	(5.0)	(4.0)	(4.0)	(4.6)	(17.7)	(4.0)	(6.6)	(6.3)	(5.6)	(22.5)	(5.2)	(5.2)	(5.4)	(5.4)	(21.3)
Income taxes					0.0					0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (loss)	(1.3)	(1.4)	(15.3)	(2.7)	(20.7)	(5.0)	(4.0)	(4.0)	(4.6)	(17.7)	(4.0)	(6.6)	(6.3)	(5.6)	(22.5)	(5.2)	(5.2)	(5.4)	(5.4)	(21.3)
Nonrecurring/noncash adjustments					0.0					0.0					0.0					0.0
Net income (pro forma)	(1.3)	(1.4)	(15.3)	(2.7)	(20.7)	(5.0)	(4.0)	(4.0)	(4.6)	(17.7)	(4.0)	(6.6)	(6.3)	(5.6)	(22.5)	(5.2)	(5.2)	(5.4)	(5.4)	(21.3)
EBITDA																				
Shares, Basic					7.4	11.3	11.3	11.3	11.3	11.3	11.3	11.7	15.7	29.0	16.9	29.1	29.2	29.3	29.4	29.3
Shares, Diluted					7.4	11.3	11.3	11.3	11.3	11.3	11.3	11.7	15.7	29.0	16.9	29.1	29.2	29.3	29.4	29.3
EPS Basic (pro forma)					(\$2.79)	(\$0.44)	(\$0.36)	(\$0.36)	(\$0.41)	(\$1.56)	(\$0.35)	(\$0.57)	(\$0.40)	(\$0.19)	(\$1.33)	(\$0.18)	(\$0.18)	(\$0.18)	(\$0.18)	(\$0.73)
EPS Diluted (pro forma)					(\$2.79)	(\$0.44)	(\$0.36)	(\$0.36)	(\$0.41)	(\$1.56)	(\$0.35)	(\$0.57)	(\$0.40)	(\$0.19)	(\$1.33)	(\$0.18)	(\$0.18)	(\$0.18)	(\$0.18)	(\$0.73)
Margins																				
Gross margin																				
Research & development					65%	391%	174%	-63%	53%	7%	-23%	105%	88%	81%	57%	41%	-33%	-20%	-9%	-12%
General and administrative					517%	193%	197%	-81%	84%	-31%	-23%	2%	8%	-21%	-10%	22%	10%	5%	5%	10%
Operating margin					192%	277%	185%	-74%	69%	-15%	-23%	57%	51%	23%	24%	32%	-20%	-12%	-4%	-4%
Tax rate, GAAP																				
Net margin					188%	275%	182%	-74%	74%	-15%	-20%	64%	56%	22%	27%	30%	-21%	-14%	-4%	-6%
YY % change																				
Total Revenue																				
Gross margin																				
Research & development																				
General and administrative																				
Operating income (loss)																				
Net income (loss)																				
EPS Diluted (pro forma)					#DIV/0!	#DIV/0!	#####	#DIV/0!	#DIV/0!	-44%	-20%	58%	13%	-53%	-15%	-49%	-68%	-54%	-5%	-45%

Source: Company reports and Ascendant Capital Markets estimates.

Cingulate Inc.

Balance Sheet (\$ mils)	Dec-19	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	Mar-24	Jun-24	Sep-24	Dec-24
Fiscal Year End: December 31	Q4A	Q4A			Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																		
Cash and cash equivalents	0.4	1.2			1.9	16.5	12.6	8.2	9.8	5.4	1.7	0.3	0.2	(5.1)	(9.5)	(14.6)	(19.7)	(25.0)
Short term investments	0.0	0.0			0.0	0.0	0.0						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	0.5	0.6			3.6	2.4	2.0	1.9	2.0	2.5	2.0	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Total current assets	1.0	1.8			5.6	18.9	14.6	10.1	11.8	7.9	3.8	2.0	1.9	(3.4)	(7.8)	(12.9)	(18.0)	(23.3)
Property and equipment, net	3.0	3.0			2.6	3.1	3.1	3.0	2.9	2.9	2.8	2.7	2.7	2.7	2.6	2.6	2.6	2.7
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	1.3	1.0			0.9	0.9	0.8	0.7	0.7	0.6	0.6	0.5	0.5	0.5	0.0	0.0	0.0	0.0
Total assets	5.3	5.8			9.1	22.9	18.4	13.8	15.4	11.4	7.2	5.2	5.1	(0.3)	(5.2)	(10.2)	(15.4)	(20.6)
Liabilities and stockholders' equity																		
Accounts payable	1.9	1.0			0.9	0.3	0.6	0.3	0.4	0.8	0.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Accrued expenses	0.9	1.7			3.5	0.6	0.8	0.3	0.7	0.9	0.7	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Deferred income tax													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	0.2	0.2			0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Short term debt		0.5			0.4				5.0	5.0	5.0	8.0	3.0	3.0	3.0	3.0	3.0	3.0
Total current liabilities	3.0	3.4			5.1	1.2	1.6	0.9	6.4	7.0	6.7	11.0	6.0	6.0	6.0	6.0	6.0	6.0
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	1.7	1.1			0.9	0.9	0.8	0.7	0.6	0.5	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Long term debt													0.0	0.0	0.0	0.0	0.0	0.0
Total other liabilities	1.7	1.1			0.9	0.9	0.8	0.7	0.6	0.5	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Common stock	0.6	32.3			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.4	0.7	0.9	1.1	1.3
Additional paid-in capital					52.2	72.6	72.8	73.0	73.2	73.3	73.5	73.9	73.9	73.9	73.9	73.9	73.9	73.9
Retained earnings		(31.0)			(49.1)	(51.7)	(56.7)	(60.8)	(64.8)	(69.4)	(73.4)	(80.0)	(86.3)	(91.9)	(97.2)	(102.4)	(107.8)	(113.2)
Other													5.0	5.0	5.0	5.0	5.0	5.0
Accumulated other comprehensive income		0.0				0.0	(0.0)	(0.0)					6.0	6.0	6.0	6.0	6.0	6.0
Total stockholders' equity	0.6	1.3			3.1	20.8	16.0	12.2	8.4	3.9	0.1	(6.1)	(1.2)	(6.6)	(11.6)	(16.6)	(21.8)	(27.0)
Total stockholders' equity and liabil	5.3	5.8			9.1	22.9	18.4	13.8	15.4	11.4	7.2	5.2	5.1	(0.3)	(5.2)	(10.2)	(15.4)	(20.6)

Balance Sheet Drivers

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Book & Cash Value (per share)													
Book Value per Share (diluted)	\$2.81	\$1.42	\$1.08	\$0.74	\$0.34	\$0.01	(\$0.52)	(\$0.08)	(\$0.23)	(\$0.40)	(\$0.57)	(\$0.74)	(\$0.92)
Cash per Share (diluted)	\$2.22	\$1.12	\$0.72	\$0.87	\$0.47	\$0.15	\$0.03	\$0.01	(\$0.18)	(\$0.33)	(\$0.50)	(\$0.67)	(\$0.85)
Net cash per Share (diluted)	\$2.22	\$1.12	\$0.72	\$0.42	\$0.03	(\$0.29)	(\$0.65)	(\$0.18)	(\$0.28)	(\$0.43)	(\$0.60)	(\$0.77)	(\$0.95)

Source: Company reports and Ascendant Capital Markets estimates

Cingulate Inc.

Cash Flow Statement (\$ mils)	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	Mar-24	Jun-24	Sep-24	Dec-24	2024	
Fiscal Year End: December 31	Q1A	Q2A	Q3A		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	(1.3)	(1.4)	(15.3)		(20.7)	(5.0)	(4.0)	(4.0)	(4.6)	(17.7)	(4.0)	(6.6)	(6.3)	(5.6)	(22.5)	(5.2)	(5.2)	(5.4)	(5.4)	(21.3)	
Depreciation	0.2	0.2	0.2		0.7	0.1	0.1	0.1	0.1	0.4	0.1	0.2	0.1	0.1	0.5	0.1	0.1	0.1	0.1	0.4	
Amortization										0.0					0.0					0.0	
Debt related amortization expense										0.0					0.0					0.0	
Stock comp			12.7		0.0	0.2	0.2	0.2	0.2	0.8	0.2	0.2	0.2	0.2	0.9	0.2	0.2	0.2	0.2	0.9	
Deferred income taxes										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	
Writedowns and impairments										0.0					0.0					0.0	
Other gains/losses										0.0					0.0					0.0	
Other					12.7	(0.0)	0.0			0.0					0.0					0.0	
Changes in operating assets and liabilities:																					
Accounts receivable	(0.1)	(0.1)	(0.1)		(0.5)	0.0	0.5	0.1	(0.2)	0.5	0.2	(0.0)			0.2					0.0	
Prepaid expenses & other curre	(0.2)	(1.0)	(1.7)		(1.3)	0.4	(0.5)	(0.2)	(0.3)	(0.6)	0.3	0.3			0.6					0.0	
Income tax										0.0					0.0					0.0	
Other assets	(0.0)	0.0	0.0		0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.0	0.0	0.1	0.5	0.0	0.0	0.0	0.5	
Accounts payable	(0.3)	0.8	1.5		(1.3)	0.4	(0.7)	0.5	0.6	0.8	(0.4)	1.3			1.0					0.0	
Accrued expenses					0.1					0.0					0.0					0.0	
Other liabilities	0.0	(0.1)	(0.1)		(0.3)	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)	(0.1)	(0.1)	0.0	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0	
Net cash (used in) provided by	(1.7)	(1.6)	(2.6)		(10.4)	(3.9)	(4.4)	(3.4)	(4.2)	(15.9)	(3.6)	(4.6)	(6.0)	(5.3)	(19.5)	(4.4)	(4.9)	(5.1)	(5.1)	(19.5)	
Cash flow from investing activities																					
Purchases of property and equi	(0.1)	(0.0)	(0.0)		(0.8)	(0.0)			(0.1)	(0.2)	(0.0)	(0.0)	(0.2)	(0.0)	(0.2)	(0.0)	(0.2)	(0.0)	(0.2)	(0.4)	
Purchases of short-term investments							0.0			0.0					0.0					0.0	
Acquisitions										0.0					0.0					0.0	
Other							(0.0)	0.0		(0.0)					0.0					0.0	
Net cash used in investing activ	(0.1)	(0.0)	(0.0)		(0.8)	(0.0)	(0.0)	0.0	(0.1)	(0.2)	(0.0)	(0.0)	(0.2)	(0.0)	(0.2)	(0.0)	(0.2)	(0.0)	(0.2)	(0.4)	
Cash flow from financing activities																					
Issuance of debt	0.1	(0.1)						5.0		5.0		3.0	(5.0)	0.0	(2.0)	0.0	0.0	0.0	0.0	0.0	
Repayment of debt	(0.1)	(0.1)	(0.3)		(0.9)	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.0)	(0.0)			(0.0)					0.0	
Issuance of stock	1.4	2.0	3.7		27.5					0.0	0.2	0.0	0.0	0.2	0.2	0.0	0.0	0.0	0.0	0.0	
Proceeds from stock option exercises										0.0					0.0					0.0	
Other										0.0			5.0	5.0	5.0					0.0	
Dividends and distributions										0.0			6.0	6.0	6.0					0.0	
Cash provided by (used in) fina	1.4	1.8	3.5		26.5	(0.0)	(0.0)	5.0	(0.1)	4.9	(0.0)	3.2	6.0	0.0	9.2	0.0	0.0	0.0	0.0	0.0	
Effect of exchange rate on cash	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0					0.0					0.0	
Net increase (decrease) in cash	(0.4)	0.2	0.9		15.3	(3.9)	(4.4)	1.6	(4.4)	(11.1)	(3.6)	(1.4)	(0.1)	(5.3)	(10.5)	(4.4)	(5.0)	(5.1)	(5.3)	(19.9)	
Beginning cash and equivalents	1.2	0.8	1.0		1.2	16.5	12.6	8.2	9.8	16.5	5.4	1.7	0.3	0.2	5.4	(5.1)	(9.5)	(14.6)	(19.7)	(5.1)	
Ending cash and equivalents	0.8	1.0	1.9		16.5	12.6	8.2	9.8	5.4	5.4	1.7	0.3	0.2	(5.1)	(5.1)	(9.5)	(14.6)	(19.7)	(25.0)	(25.0)	

Source: Company reports and Ascendant Capital Markets estimates

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Cingulate Inc.



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

	Report Date		Price
Report	Date	Rating	Target
1	10/3/2022	Buy	7.00
2	11/20/2022	Buy	6.50
3	6/1/2023	Buy	7.00

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			Count	Percent
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Sell	1	2%	0	0%
Total	52	100%	16	31%

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