

# INSTITUTIONAL RESEARCH

# **Biotechnology**PRICE TARGET CHANGE

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# **Celsion Corporation (NASDAQ/CLSN)**

June 25, 2020

BUY: Celsion – Raises \$9.3M (~\$26M in Cash on Hand), Optima Next, Raising Price Target from \$4.0 to \$5.0 Based on Less Than Expected Dilution.

Celsion announces that the independent Data Monitoring Committee (iDMC) is scheduled to meet during H1 of July to conduct the second pre-planned interim safety and efficacy analysis of the Phase III OPTIMA Study with ThermoDox plus RFA (radiofrequency ablation) in patients with hepatocellular carcinoma (HCC), or primary liver cancer. Data lock for the second pre-specified interim analysis occurred during April 2020 after the prescribed minimum number of events of 158 patient deaths was reached. We also note the company raised \$9.3M (net) by selling 2.7M shares, which brings the Pro-forma cash balance to approximately \$26M.

# **Investment Highlights**

What's Next? The Independent Data Monitoring Committee (iDMC) is expected to meet in July to conduct the second interim analysis. Celsion expects to announce iDMC recommendations as soon as possible after the meeting. The hazard ratio for success at 158 deaths is 0.70, which represents a 30% reduction in the risk of death compared with RFA alone. This compares favorably with the hazard ratio of 0.65 observed in the prospective HEAT Study subgroup upon which the OPTIMA Study is based.

As a reminder, the independent Data Monitoring Committee (iDMC) unanimously recommends the OPTIMA Study (Liver Cancer) continue according to protocol. The reported interim analysis reviewed 128 events (from 556 patients) or >60% of the total number required for the final analysis. The hazard ratio for success at 128 events is approximately 0.637, which represents a 57% improvement in immediate survival vs. control. We note that this is consistent with the 0.65 hazard ratio, or 55% improvement seen in the prospective HEAT Study subgroup (which OPTIMA is based upon), which demonstrated a two-year overall survival advantage and a median time to death of more than 7 ½ years.

Valuation: We adjust our model for the recent raise, which was less than we had forecast. As a result, our out-year share count drops, driving our valuation higher from \$4.0 to \$5.0. Celsion's success as a company is dependent on the clinical outcomes for ThermoDox and GEN-1. For the purposes of our model we project timelines through the year 2030. Our therapeutic models are risk-adjusted. For the U.S. for ThermoDox we use just a 75% risk rate (25% probability of success), and in China we reduce this to 50%. For GEN-1 we assume just a 10% probability of success. Our models factor in assumed financings and use a fully diluted out-year (2030) share count. We triangulate FCFF, discounted EPS, and sum-of-the-parts models. We then averaged and equally weighted each model to derive the NPV and round to the nearest whole number to set our target price.

**Risk Analysis:** (1) commercial; (2) regulatory; (3) clinical; (4) manufacturing; (5) financial; (6) liability; and (7) intellectual property. We review these and other risks in the risk section of this report.

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Current Price Price Target					\$	\$3.99 5.00
Estimates	FO	019A	FO	020E	FO	021E
Expenses (\$000s)	\$	21,065		21,701		15,287
1Q January	Ś	4,986	\$	4,891		3,669
2Q April	\$	5,695		5,530	\$	3,822
3Q July	Ś	5,513		5,530	Ś	3,822
4Q October	Ś	4,873		5,751		
10 000000		019A	_	020E	_	021E
EPS (diluted)	Ś	(0.77)		(0.56)		(0.33
1Q January	Ś	(0.12)		(0.20)		(0.08
2Q April	Ś	(0.29)		(0.12)		(0.08
3Q July	Š	(0.25)		(0.12)		(0.08
4Q October	\$	(0.11)		(0.12)	- 1	(0.09
EBITDA/Share						
EV/EBITDA (x)						
Stock Data						
52-Week Range		\$0.69		-		\$6.5
Shares Outstanding (m	il.)					31.9
Market Capitalization (						\$12
Enterprise Value (mil.)	,					\$135
Debt to Capital						69
Book Value/Share						\$1.5
Price/Book						2.
Average Three Months	Tradir	ng Volum	ne (	K)		39
Insider Ownership			(	,		7.19
Institutional Ownership	0					8.59
Short interest (mil.)						4.29
Dividend / Yield					0.0	00/0.09
Celsion Corporat	ion (CI	SN)				,
Volume (Thousands		011,		Pric	e (U	ISD)
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Volume — C	elsion C	orporation				1 5
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# **Modeling Assumptions:**

- 1. **Price & Timing for ThermoDox**. We assume a price of \$40,000 for ThermoDox in Hepatocellular Carcinoma in both the United States and China with commercialization by 2023, which could prove conservative. We apply a 75% risk cut, or 25% probability of success in our U.S. model and 50% in our China model for conservatism. Clinical success suggests our valuation could be too low. We assume a modest market penetration that ramps up over five years as the patient population grows and these numbers also could prove to be too conservative.
- 2. **Incidence and Prevalence of HCC:** Hepatocellular Carcinoma has the fourth highest mortality rate of all cancers with a median survival from time of diagnosis at less than three years. The five-year survival rate is less than ten percent, and less than twenty percent of early and intermediate stage patients are eligible for curative surgery. HCC has a global incidence of about 755,000 growing at 3% annually. The U.S. incidence is about 35,000, and the EU incidence is about 65,000, while China remains the largest market with an incidence over 375,000.
- 3. **Price & Timing for Gen-1**. We also assume a price of \$40,000 for GEN-1 in Ovarian Cancer with commercialization by 2025. We apply a 90% risk cut or 10% probability of success in our model and assume a modest market penetration.
- 4. **Incidence and Prevalence of Ovarian Cancer:** Ovarian Cancer holds the fifth highest mortality rate of all cancers among women with a five-year survival rate for all stages of less than 50%. Over 70% of women are diagnosed in advanced stages (III/IV), and only 15% of those diagnosed with localized cancer are eligible for potentially curative surgery. The survival rate is significantly reduced in non-localized cancer, and the most common site of recurrence is the abdomen. Intraperitoneal-administered therapy is an important clinical strategy. Ovarian Cancer remains the 8<sup>th</sup> most diagnosed cancer among women with a global incidence rate of 225,000. The incidence rate in the US is about 22,280 and 100,000 in developed countries.
- 5. **Patient Eligibility:** For the Phase 3 OPTIMA Study Design, patient's eligibility includes having nonresectable HCC, singles lesions, lesion > 3cm but not > 7cm, treatment naïve, and child-pugh A. In ovarian cancer, over 75% of incidence is within stage III/IV, and we assume that only the platinum-resistant proportion of ovarian cancer patients will be eligible for treatment.

**Exhibit 1a. Therapeutic Models** 

He partocellular Carcinoma; (US) (Therm oDox)	_	2017E	2018E	2019E	2020E	2021E	20 2 2E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	20308
Incidence		30,000	31,200	32,448	33,746	35,096	36,500	37,960	39,478	41,057	42,699	44,407	46,184	48,031	49,952
Increase in incidence		4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	49
Patients with single lesion receiving RFAonly(20%)		6.000	6.240	6.490	6.749	7.019	7.300	7.592	7.896	8,211	8.540	8.881	9.237	9.606	9,990
Patients with 3-7cm lesion meeting Thermodox criteria (20%)		6.000	6,240	6,490	6.749	7.019	7.300	7.592	7,896	8,211	8.540	8.881	9.237	9,606	9,990
Total RFA patients that could benefit from Thermodox		12,000	12,480	12,979	13,498	14,038	14,600	15,184	15,791	16,423	17080	17,763	18,473	19,212	19,981
% Market share		0%	0%	0%	0%	0%	0%	1%	2%	3%	4%	5%	5%	5%	55
Total patients receiving Thermodox		0	0	0	0	0	0	151.84	316	493	683	888	924	961	999
Cost of therapy	S	40,000 S	40,000 S	40,000 S	40,000 S	40,000 S	40,000 S	40,000 S	40,400 S	40,804 S	41,212 S	41,624 S	42,040 S	42,461 5	42,885
Change in cost of therapy								0%	1%	1%	1%	1%	1%	1%	19
Sales	S	- S	- S	- S	- S	- S	- S	6,074 S	12,759 \$	20,104 S	28,156 S	36,968 \$	38,832 \$	40,789 \$	42,844
Risk Adjusted								75%	75%	75%	75%	75%	75%	75%	759
Total Revenue (Millions)								1,518	3,190	5,026	7,039	9,242	9,708	10,197	10,711
He partocellular Carcinoma; (China) (The rm oDox)		2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	20308
Incidence		378,000	389,340	401,020	413,051	425,442	438,206	451,352	464,892	478,839	493,204	508,000	523,240	538,938	555,100
Increase in incidence		3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	39
Patients with single lesion receiving RF only (20%)		75.600	77.868	80.204	82.610	85.088	87.641	90.270	92,978	95,768	98.641	101.600	104,648	107,788	111.021
Patients with 3-7cm lesion meeting Thermodox criteria (20%)		75,600	77,868	80,204	82,610	85,088	87,641	90,270	92,978	95,768	98,641	101,600	104,648	107,788	111,021
Total RF patients that could benefit from treatment		200,000	202.000	204.020	206.060	208.121	210.202	212.304	214427	216.571	218.737	220.924	223,134	225.365	227.619
% Market share		0%	0%	0%	0%	0.00%	0.00%	0.5%	0.5%	1%	1%	1.5%	2%	2.5%	39
Total patients receiving treatment			-	-	-	-	-	1.062	1,072	2,166	2,187	3.314	4.463	5.634	6.829
Cost of therapy	S	40,000 S	40,000 S	40,000 S	40,000 S	40,000 S	40,000 S	40,000 S	40,400 S	40,804 S	41,212 S	41,624 S	42,040 S	42,461 5	
Change in cost of therapy	-							0%	1%	1%	1%	1%	1%	1%	19
Sales								42,461	44.181	88.370	90.146	137.937	187.613	239,229	292.846
Risk Adjusted								50%	50%	50%	50%	50%	50%	50%	509
Total Revenue (Milliona)								21,230	22,090	44,185	45,073	68,968	93,806	119,615	146,423
Ovarian Cancer (Gen-1)		2017E	2018E	2019E	2020E	2021E	20 2 2E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	20308
Incidence		225.000	227.250	229.523	231.818	234.136	236,477	238.842	241.230	243.643	246.079	248.540	251.025	253.536	256.071
Change in incidence		1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	19
Patient Population in US and developed countries		122,280	123,503	124.738	125,985	127.245	128.518	129.803	131.101	132.412	133.736	135.073	136,424	137,788	139,166
Platinum resistant population in Europe and US		30.570	30.876	31,184	31.496	31.811	32,129	32,451	32,775	33,103	33,434	33.768	34.106	34,447	34,792
% Market share		0%	0%	0%	0%	0%	0%	0%	0%	2%	4%	8%	10%	11%	129
Total patients receiving treatment					-					662	1.337	2.701	3.411	3.789	4.175
	S	40,000 \$	40 000 S	40,000 S	40 000 S	40,000 S	40,000 S	40 000 S	40,000 S	40 000 S	40 400 S			41 624 5	42 040
Cost of therapy Change in cost of therapy	S		40,000		40,000 \$		40,000 \$	40,000	40,000	40,000 0	40,400 \$		41,212 \$		
Change in cost of therapy	S	40,000 \$ 0%	40,000 \$ 0%	40,000 \$ 0%	40,000 \$ 0%	40,000 \$ 0%	40,000 \$ 0%	40,000 \$ 0%	40,000 \$ 0%	0%	1%	40,804 S 1%	41,212 S 1%	1%	19
Change in cost of therapy Sales	S								0%	0% 26,482 \$	1% 54,029 \$	40,804 \$ 1% 110,231 \$	41,212 \$ 1% 140,558 \$	1% 157,721	19 175,518
Change in cost of therapy Sales Risk adjustment	S								0%	0% 26,482 \$ 90%	1% 54,029 \$ 90%	40,804 S 1% 110,231 S 90%	41,212 S 1% 140,558 S 90%	1% 157,721 90%	19 175,518 90%
Change in cost of the rapy Sales Risk adjustment Total Revenue (Millions)	s	0% - \$	0% - S	0% - \$	0% - S	0% - \$	0% - s	0% - <b>s</b>	0% S	0% 26,482 \$ 90% 2,648 \$	1% 54,029 \$ 90% 5,403 \$	40,804 S 1% 110,231 S 90% 11,023 S	41,212 \$ 1% 140,558 \$ 90% 14,056 \$	1% 157,721 90% 15,772	1% 5 175,518 90% 5 17,552
Change in cost of therapy Sales Risk adjustment Total Revenue (Millions) Globia stoma (Gen-1)	s	0% - S 2017E	0% - S 2018E	0% - S 2019E	0% - S 2020E	0% - S 2021E	0% - S 2022E	0% - S 2023E	0% S - S	0% 26,482 \$ 90% 2,648 \$	1% 54,029 \$ 90% 5,403 \$	40,804 \$ 1% 110,231 \$ 90% 11,023 \$	41,212 S 1% 140,558 S 90% 14,056 S	1% 157,721 \$ 90% 15,772 \$	1% \$ 175,518 90% \$ 17,552
Change in cost of therapy Sales Risk adjustment Total Revenue (Millions) Global stoms (Can-1) Incidence	s	0% - \$ 2017E 22,850	0% - \$ 2018E 22,850	0% - S 2019E 23,079	0% - S 2020E 23,309	0% - \$ 2021E 23,542	0% - S 2022E 23,778	0% - S 2023E 24,016	0% S - S 2024E 24256	0% 26,482 S 90% 2,648 S 2025E 24,498	1% 54,029 \$ 90% 5,403 \$ 2025E 24,743	40,804 \$ 1% 110,231 \$ 90% 11,023 \$	41.212 S 1% 140.558 S 90% 14.056 S 2028E 25.241	1% 157,721 \$ 90% 15,772 \$ 2029E 25,493	19 5 175,518 909 17,552 2030 25,748
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Change in cost of therapy Sales Risk adjustment  Catolis stroms (Can-1) Incidence Change in incidence Pasients elligible for treatment, insurance coverage, 75% % Market share. Total pasients receiving treatment Annual cost of reastment	s	0% - \$ 2017E 22,850 0%	0% - \$ 2018E 22,850 1%	0% - S 2019E 23,079 1%	0% - S 2020E 23,309 1%	0% - \$ 2021E 23,542 1%	0% - S 2022E 23,778 1%	0% - S 2023E 24,016 1%	0% S S 2024E 24256 1%	0% 26,482 S 90% 2,648 S 2025E 24,498 1% 30% 5% 367 40,000 S	1% 54,029 \$ 90% 5,403 \$ 2026E 24,743 1% 30% 10% 742 40,400 \$	40,804 S 1% 110,231 S 90% 11,023 S 2027E 24,991 1% 30% 15% 1,125 40,804 S	41,212 S 1% 140,558 S 90% 14,056 S 2023E 25,241 1% 30% 1,138 41,212 S	1% 157,721 90% 15,772 2029E 25,493 1% 30% 15% 1,147 41,624	2030 25,748 175 2030 25,748 193 153 1,159 42,040
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Change in cost of therapy Sales Rick adjustment Total Revenue (Millions) Incidence Change in incidence Pasients elligible for teatment, insurance coverage, 75% Market share Total pasients receiving treatment Annual cost of freatment increase in price Sales Sales Rick adjustment	S	0% - \$ 2017E 22,850 0%	0% - \$ 2018E 22,850 1% 0%	0% - S - S - 2019E - 23,079 - 1% - 0%	0% - S - S - 2020E - 23,309 - 1% - 0%	0% - \$ 2021E 23,542 1% 0%	0% - \$ 2022E 23,778 1% 0%	0% - \$ 2023E 24,016 1% 0%	0% S S 2024E 24256 1% 0% 40,000 S	0% 26,482 \$ 90% 2,648 \$ \$ 2025E 24,498 1% 30% 5% 367 40,000 \$ 0%	1% 54,029 \$ 90% 5,403 \$ 2025E 24,743 1% 30% 10% 742 40,400 \$ 1%	40,804 \$ 1% 110,231 \$ 90% 11,023 \$  2027E 24,991 1% 30% 1,5% 1,125 40,804 \$	41.212 S 19% 140,558 S 90% 14,056 S 2028E 25,241 19% 1,056 1,138 41,212 S 19%	1% 157,721 90% 15,772 \$ 2029E 25,493 1% 30% 15% 1,147 41,624 1%	19 5 175,518 909 5 17,552 2030 25,748 19 309 1,159 1,159 5 42,040 19 5 48,710
Change in cost of therapy Sales Risk adjustment  Catolis stroms (Can-1) Incidence Change in incidence Pasients elligible for treatment, insurance coverage, 75% What's strain- Total pasents receiving treatment Increase in price Sales Sales	S	0% - \$ 2017E 22,850 0%	0% - \$ 2018E 22,850 1% 0%	0% - S - S - 2019E - 23,079 - 1% - 0%	0% - S - S - 2020E - 23,309 - 1% - 0%	0% - \$ 2021E 23,542 1% 0%	0% - \$ 2022E 23,778 1% 0%	0% - \$ 2023E 24,016 1% 0%	0% S S 2024E 24256 1% 0% 40,000 S	26,482 S 90% 2,648 S 2025E 24,498 1% 30% 5% 367 40,000 S 0% 14,899 S	1% 54,029 \$ 90% 5,403 \$ 202SE 24,743 1% 30% 742 40,400 \$ 1% 29,989 \$	40,804 \$ 1% 110,231 \$ 90% 11,023 \$  2027E 24,991 1% 30% 15% 1,125 40,804 \$ 1% 45,887 \$	41.212 S 1% 140.558 S 90% 14,056 S 2028E 25.241 1% 30% 1.138 41.212 S 1% 46.810 S 46.810 S	1% 157,721 5 90% 15,772 5 2029E 25,493 1% 30% 15% 1,147 41,824 5 1% 47,751 5	19 5 175,518 909 5 17,552 2030 25,748 19 309 1,159 42,040
Change in cost of therapy Sales Rick adjustment Total Revenue (Millions) Incidence Change in incidence Pasients elligible for teatment, insurance coverage, 75% Market share Total pasients receiving treatment Annual cost of freatment increase in price Sales Sales Rick adjustment	S	0% - \$ 2017E 22,850 0%	0% - \$ 2018E 22,850 1% 0%	0% - S - S - 2019E - 23,079 - 1% - 0%	0% - S - S - 2020E - 23,309 - 1% - 0%	0% - \$ 2021E 23,542 1% 0%	0% - \$ 2022E 23,778 11% 0% 40,000 \$	0% - \$ 2023E 24,016 1% 0%	0% S S 2024E 24256 1% 0% 40,000 S	26,482 S 90% 2,648 S 2025E 24,498 1% 30% 5% 367 40,000 S 0% 14,899 S	1% 54,029 \$ 90% 5,403 \$ 202SE 24,743 1% 30% 742 40,400 \$ 1% 29,989 \$	40,804 \$ 1% 110,231 \$ 90% 11,023 \$  2027E 24,991 1% 30% 15% 1,125 40,804 \$ 1% 45,887 \$	41.212 S 1% 140.558 S 90% 14,056 S 2028E 25.241 1% 30% 1.138 41.212 S 1% 46.810 S 46.810 S	1% 157,721 5 90% 15,772 5 2029E 25,493 1% 30% 15% 1,147 41,824 5 1% 47,751 5	198 175,518 909 17,552 2050 25,748 309 159 1,156 42,041 1009 5
Change in cost of therapy Sales Rick adjustment Total Revenue (Millions) Cobol stoms (Gan1) Incidence Change in incidence Pasiens elligible for teatment, insurance coverage, 75% % Market share Total pasients receiving treatment Annual cost of frestment increase in pasie Sales Sales Rick adjustment Total Revenue (Millions) Dadder (ThermoDox) Incidence	S	0%  2017E 22.850 0% 0% 40,000 \$	0% - S 2018E 22.850 1% - 0% - 40,000 S	0%  2019E 23.079 1% 0% 40.000 \$	0%  - \$  2020E 23,309 1% 0% 40,000 \$	0% - \$ 2021E 23,542 1% 0% 40,000 \$	0%  - \$  2022E 23,778 1% 0% 40,000 \$	0%  - S  2023E 24.016 1% 0% -40.000 S	0% S - S 2024E 24.256 1% 0% 40.000 S S 2024E	0% 26,482 \$ 90% 2,648 \$ \$ 2025E 24,498 1% 30% 5% 367 40,000 \$ 0% 14,899 \$ 100% \$ \$ 2025E 94,283	1% 54,029 \$ 90% 5,403 \$ 2025E 24,743 1% 30% 10% 742 40,400 \$ 10% 29,989 \$ 100% \$ 2025E 96,169	40,804 \$ 110,231 \$ 90% 11,023 \$  2027E 24,991 1% 30% 15% 1,125 40,804 \$ 1% 45,887 \$ 1,007 \$ 2027E 96,092	41.212 S 90% 140.558 S 90% 14.056 S 2028E 25.241 1% 30% 15% 1.138 41.212 S 100% S 2028E	1% 157,721 90% 15,772 1 15,772 1 15,772 1 15,772 1 15,772 1 15,772 1 15,772 1 16,772 1 16,774 1,624 1 16,775 1 100% 1 100	198 175,518 17
Change in cost of therapy Sales Risk adjustment Total Reverue (M. ions)  Globia tforms (Gnr-1) Incidence Change in incidence Pasients elligible for treatment, insurance coverage, 75% % Market share Total pasients receiving treatment increase in price Risk adjustment Total Feverue (M. ions)  Badder (ThermoDox) Incidence Change in incidence	S	0%  - \$ 2017E 22,850 0% 0% 40,000 \$	0%  2018E 22,850 1% 0% - 40,000 S	0%  2019E 23,079 11% 0% 40,000 \$	0%  2020E 23,309 1% 0% 40,000 \$	0%  \$ 2021E 23,542 1% 0% 40,000 \$	0%  2022E 23,778 1% 0% 40,000 S	0%  2025E 24.016 1% 0% -40,000 S	0% S  2024E 24256 1% 0% 40,000 S S  2024E 92435 2%	0% 26,482 \$ 90% 2,648 \$ \$ 2025E 94,283 \$ \$ 2025E 94,283	1% 54,029 \$ 90% 5,403 \$ 203E 24,743 11% 30% 742 40,400 \$ 10% 742 96,889 \$ 100% \$ 202E 96,189 2%	40,804 S 1% 110,231 S 90% 11,023 S 11,023 S 2027E 24,991 1% 30% 1,5% 1,125 40,804 S 1,125 40,804 S 1,125 40 40,804 S 1,125 40,804 S 1,125 40,	41.212 S 1% 140.588 S 90% 14.056 S 2028E 25.241 15% 15% 15% 15% 15% 1.1.38 41.212 S 10.0% 1.00%	1% 157,721 90% 15,772 \$ 2023E 25,493 1% 30% 15% 1,147 41,624 1% 47,751 9100,000 \$ 2025E 102,055 2%	115 175,518 17
Change in cost of therapy Sales Rick adjustment Total Revenue (Millions) Choole stome (Gen1) Incidence Change in incidence Patients elligible for teatment, insurance coverage, 75% % Market share Total patients receiving treatment Armual cost of frestment increase in price Sales Sales Rick adjustment Total Tevenue (Millions) Badder (TitermoDox) Incidence Change in incidence	S	0%  2017E 22,850 0% 0% 40,000 \$	0%  2018E 22,850 1% 0% 40,000 \$	0% - \$ 2019E 23.079 1% 0% - 40.000 \$	0% - \$ 2020E 23,309 1% 0% 40,000 \$	0% - \$ 2021E 87,103 2% 757,703	0%  - \$  2022E 20,778 1% 0% 40,000 \$	0%  2023E 24,018 1% 0% 40,000 \$	0% S  - S  2024E 24256 1% 0% 40,000 S S - S  2024E 92435 2% 804,080	0% 26,482 \$ 90% 2,648 \$ 2025E 24,496 1% 30% 5% 367 40,000 \$ 0% 14,899 \$ 100% \$ 2025E 94,283 2% 820,162	1% 54,029 \$ 90% 5,403 \$ 2038E 24,743 1% 30% 10% 742 40,400 \$ 1% 29,989 \$ 100% \$ 20735E 96,189 2% 836,565	40,804 \$ 110,231 \$ 90% 11,023 \$  2027E 24,991 1% 30% 15% 1,125 40,804 \$ 1,5687 \$ 1,00% \$  2027E 96,092 2% 853,296	41,212 S 90% 140,558 S 90% 140,056 S 2028 E 25,241 1% 30% 15% 1,138 41,212 S 110,056 S 100% S 2028 E 100,054 2% 870,362	1% 157,721 90% 15,772 \$ 2029E 25,493 1% 30% 15,772 \$ 100% 47,751 \$ 100,055 2% 887,789 \$ 87,789	175,518 900 5 175,518 900 5 17,552 2030 25,748 11 300 155 1,155 42,044 11 100 5 104,091 22 905,528
Change in cost of therapy Sales Risk adjustment Total Reverue (M. ions)  Globia tforms (Gnr-1) Incidence Change in incidence Pasients elligible for treatment, insurance coverage, 75% % Market share Total pasients receiving treatment increase in price Risk adjustment Total Feverue (M. ions)  Badder (ThermoDox) Incidence Change in incidence	S	0%  - \$ 2017E 22,850 0% 0% 40,000 \$	0%  2018E 22,850 1% 0% - 40,000 S	0%  2019E 23,079 11% 0% 40,000 \$	0%  2020E 23,309 1% 0% 40,000 \$	0%  \$ 2021E 23,542 1% 0% 40,000 \$	0%  2022E 23,778 1% 0% 40,000 S	0%  2025E 24.016 1% 0% -40,000 S	0% S  2024E 24256 1% 0% 40,000 S S  2024E 92435 2%	0% 26,482 \$ 90% 2,648 \$ \$ 2025E 94,283 \$ \$ 2025E 94,283	1% 54,029 \$ 90% 5,403 \$ 203E 24,743 11% 30% 742 40,400 \$ 10% 742 96,889 \$ 100% \$ 202E 96,189 2%	40,804 S 1% 110,231 S 90% 11,023 S 11,023 S 2027E 24,991 1% 30% 1,5% 1,125 40,804 S 1,125 40,804 S 1,125 40 40,804 S 1,125 40,804 S 1,125 40,	41.212 S 1% 140.588 S 90% 14.056 S 2028E 25.241 15% 15% 15% 15% 15% 1.1.38 41.212 S 10.0% 1.00%	1% 157,721 90% 15,772 \$ 2023E 25,493 1% 30% 15% 1,147 41,624 1% 47,751 9100,000 \$ 2025E 102,055 2%	175,511 90's 175,511 90's 17,55; 2030 25,741 11 30' 15' 42,041 11 100's 12' 2030 104,09' 2' 905,52'
Change in cost of therapy Sales Rick adjustment Total Revenue (Millions) Choole stome (Gen1) Incidence Change in incidence Patients elligible for teatment, insurance coverage, 75% % Market share Total patients receiving treatment Armual cost of frestment increase in price Sales Sales Rick adjustment Total Tevenue (Millions) Badder (TitermoDox) Incidence Change in incidence	S	0%  2017E 22,850 0% 0% 40,000 \$	0%  2018E 22,850 1% 0% 40,000 \$	0% - \$ 2019E 23.079 1% 0% - 40.000 \$	0% - \$ 2020E 23,309 1% 0% 40,000 \$	0% - \$ 2021E 87,103 2% 757,703	0%  - \$  2022E 20,778 1% 0% 40,000 \$	0%  2023E 24,018 1% 0% 40,000 \$	0% S  2024E 24256 1% 0% 40,000 S S  2024E 92435 2% 804,080	26,482 S 90% 2,648 S 2025E 24,498 S 2035E 24,498 S 100% S 100% S 100% S 100% S 100% S 100% S 2025E 20,016 S 20,016 S 5%	1% 54,029 S 90% 90% 5,403 S 90% 5,403 S 2035E 24,743 10% 742 40,400 S 1% 52989 S 100% 5 205E 96,189 2% 636,565 83,666 10%	40,804 \$ 1% 110,231 \$ 90% 11,023 \$ 90% 11,023 \$ 207TE 24,991 1% 30% 1,125 40,804 \$ 1,125 40,804 \$ 1,125 40,804 \$ 1,00% 10,000 \$ 1,000	41,212 \$ 140,558 \$ 90% \$ 140,558 \$ 2078E \$ 25,241 \$ 15% \$ 30% \$ 1,136 \$ 41,212 \$ 5 40,810 \$ 10,00% \$ 20,000 \$ 10,00% \$ 20,000 \$ 10,00% \$ 20,000 \$ 10,00% \$ 20,000 \$ 15% \$ 20,000 \$ 1,55% \$ 20,000 \$ 20,0	1% 157,721 90% 15,772 \$ 2023E 25,933 1% 1,147 41,624 1% 47,751 100% \$ 2023E 102,055 2% 887,769 88,7769 88,7769	175,511 90'5 175,511 90'5 17,55; 2030 25,741 11 30'5 42,041 15 42,041 100'5 10
Change in cost of therapy Sales Risk adjustment Cital Revenue (M. ions)  Citals Revenue (M. ions)  Citals Revenue (M. ions)  Citals Revenue (M. ions)  Citals Revenue (M. ions)  Change in incidence Pasients elligible for treatment, insurance coverage, 75%  M. Market share Total pasients receiving treatment increase in price Sales Risk adjustment Total Revenue (M. ions)  Eadder (Ther motox) Incidence Change in incidence Pasient Population in US Pasients elligible for treatment	S	0%  - \$ 2017E 22,850 0% 40,000 \$	0% - \$ 2018E - 22,950 - 1% - 0% - 40,000 \$ - \$ 2018E - 82,078 - 714,000 - 71,400	0% - \$ 2019E 23.079 - 1% - 0% - 40.000 \$ - \$ 2019E 83.721 - 2% 728.280 728.280	0% - \$ 2020E 23,30E 23,30E 1% - 0% - 40,000 \$ 2020E 65,395 2% 742,285 2%	0% - S - 2021E - 23,542 - 1% - 0% - 40,000 S - S - 2021E - 87,103 - 2% - 757,703 - 75,770	0%  2022E 23,778 1% 0% 40,000 \$	0%  - \$ 2023E 24,016 1% - 0% - 40,000 \$	0% S 2024E 24.256 11% 0% 40,000 S S 2024E 92,435 204 804,080	0% 28.482 S 90% 2.848 S 2023E 24.496 1% 30% 5% 367 40,000 S 10.0% S 2023E 94.283 \$2.162 82.016	1% 54,029 \$ 90% 5,403 \$ 2025E 24,743 11% 30% 742 40,400 \$ 10% 742 9,989 \$ 100% \$ 2025E 96,169 2% 836,685 83,656	40,804 S 110,231 S 90% 11,023 S 2027E 24,991 1,125 40,804 S 1,125 40,804 S 100% 5 2027E 96,092 2% 655,296 85,330	41,212 S 190% 14,058 S 203E 25,241 15% 30% 15% 15% 15% 15% 15% 1,13% 16,810 S 1000% S 2028E 100,054 27,368 87,368 87,368 87,368 87,368 87,368 87,368 87,368	1% 157,721 90% 15,772 5 2029E 25,493 1% 30% 15% 1,147 41,824 9 100% 5 2029E 102,055 2% 887,789 88,777	175,511 90'5 175,511 90'5 17,55; 2030 25,741 30' 15' 1,15' 42,041 100'5 48,711 100'5 2030 104,09' 2' 90,55; 15' 13,58'
Change in cost of therapy Sales Rick adjustment Total Revenue (Millona) Total Revenue (Millona) Total Revenue (Millona) Total Revenue (Millona) Total patients eligible for teatment, insurance coverage, 75% Market share Total patients receiving treatment Armual cost of treatment Increase in price Sales Sales Rick adjustment Total Revenue (Millona)  Badder (TitermoDox) Incidence Change in incidence Change in incidence Charge in incidence Charge in incidence Patient Population in US Patient Patient Population in US Patient Patient Patient Patient Patient Patient Population in US Patient Pati	S	0%  - \$ 2017E 22,850 0% 40,000 \$	0% - \$ 2018E - 22,950 - 1% - 0% - 40,000 \$ - \$ 2018E - 82,078 - 714,000 - 71,400	0% - \$ 2019E 23.079 - 1% - 0% - 40.000 \$ - \$ 2019E 83.721 - 2% 728.280 728.280	0% - \$ 2020E 23,30E 23,30E 1% - 0% - 40,000 \$ 2020E 65,395 2% 742,285 2%	0% - S - 2021E - 23,542 - 1% - 0% - 40,000 S - S - 2021E - 87,103 - 2% - 757,703 - 75,770	0%  2022E 23,778 1% 0% 40,000 \$	0%  - \$ 2023E 24,016 1% - 0% - 40,000 \$	0% S 2024E 24.256 11% 0% 40,000 S S 2024E 92,435 204 804,080	28.482 5 90% 2.848 2 90% 2.848 2 90% 2.848 2 10% 5 10% 5 100% 5 1	1% 54,029 S 90% 90% 5,403 S 90% 5,403 S 2035E 24,743 10% 742 40,400 S 1% 52989 S 100% 5 205E 96,189 2% 636,565 83,666 10%	40,004 5 1% 110,231 5 90% 110,232 5 2021 24,991 24,991 15% 15% 15% 48,887 5 100% 590,992 2% 68,330 15% 12,799 30,803 5	41.212 S 1916 140.558 S 9.5% 140.558 S 9.5% 140.558 S 9.5% 150.558	1% 157,721 90% 15,772 \$ 2025E 25,493 1% 15% 1,147 41,624 \$ 1,147 100% \$ 2025E 102,055 2% 887,769 88,775 15% 13,317 \$ 31,218	175,511 90'5 175,511 90'5 17,55; 2030 25,741 15'5 42,041 16'5 42,041 10'5 104,09' 2'905,52' 905,52' 905,52' 15'13,58'5 31,53'5
Change in cost of therapy Sales Risk adjustment  Citobla Norma (Circh) Incidence Change in incidence Pasients elligible for treatment, insurance coverage, 75% Microst have Normal cost of treatment increase in price Risk adjustment Total Pasients receiving treatment increase in price Risk adjustment Total Riverung (Millions)  Badder (ThermoDox) Incidence Change in incidence Pasient Population in US Pasients elligible for treatment Millions there Total pasients incidence Pasient Population in US Market share Total pasients receiving treatment	5	0%  - \$ 2017E 22,850 0% - \$ 40,000 \$	0%  2018E 22,850 1% 0% 40,000 \$  2018E 62,078 71,400 71,400 0%	0% - \$ 2019E 23.079 1% - 0% - 40.000 \$ 2019E 83.721.2% - 728.28 728.28 0%	0%  2020E 23,309 1% 0% 40,000 \$  2010E 65,39% 74,2846 74,285 0%	0%  S  2021E 23.542 1% 0% 40.000 S  2021E 67.103 2% 75.7703 75.770 0%	0%	0%  2023E 24,016 1% 0% 40,000 \$  2023E 90,022 2% 789,314 78,831 0%	0% S 2024E 24256 1% 0% 40,000 S S 2024E 924358 2% 80,408 80,408	28.482 5 90% 28.482 9 90% 28.482 9 90% 28.482 9 90% 28.489 9 90% 28.489 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	1 % 54,029 \$ 90% \$ 90% \$ 90% \$ 90% \$ 90% \$ 1 %	40,004 S 15 16 17 18 18 19 18 19 18 18 18 18 18 18 18 18 18 18 18 18 18	4 1212 S 1914 14 156 S 2021 E 156 S	1% 157,721 5 90% 15,772 \$ 20,725	175,518 90° 5 175,518 90° 5 17,552 2030 25,744 113 30° 15° 5 42,044 1.15° 5 42,044 1.15° 5 42,044 1.15° 5 42,044 1.15° 5 100° 5
Change in cost of therapy Sales Rick adjustment Total Revenue (M. Iona) Citobla Icona (Can-1) Incidence Change in incidence Patients elligible for teatment, insurance coverage, 75% Market share Total patients receiving treatment Arnual cost of treatment increase in price Sales Rick adjustment Total revenue (M. Iona) Dadder (TitermoDox) Incidence Change in incidence Change in incidence Charge in incidence Charge in incidence Charge in incidence Total patients receiving treatment Market share Total patients receiving treatment Total patients receiving treatment Total patients receiving treatment Total patients receiving treatment Cost of therapy	5	0%  - \$ 2017E 22,850 0% - \$ 40,000 \$	0%  2018E 22,850 1% 0% 40,000 \$  2018E 62,078 71,400 71,400 0%	0% - \$ 2019E 23.079 1% - 0% - 40.000 \$ 2019E 83.721.2% - 728.28 728.28 0%	0%  2020E 23,309 1% 0% 40,000 \$  2010E 65,39% 74,2846 74,285 0%	0%  S  2021E 23.542 1% 0% 40.000 S  2021E 67.103 2% 75.7703 75.770 0%	0%	0%  2023E 24,016 1% 0% 40,000 \$  2023E 90,022 2% 789,314 78,831 0%	0% S 2024E 24256 1% 0% 40,000 S S 2024E 924358 2% 80,408 80,408	28.482 5 90% 2.848 2 90% 2.848 2 90% 2.848 2 10% 5 10% 5 100% 5 1	1 1% 5 20.29 5 20.7% 5 20.7% 5 20.7% 5 20.7% 5 20.7% 5 20.7%	40,004 5 1% 110,231 5 90% 110,232 5 2021 24,991 24,991 15% 15% 15% 48,887 5 100% 590,992 2% 68,330 15% 12,799 30,803 5	41.212 S 1916 140.558 S 9.5% 140.558 S 9.5% 140.558 S 9.5% 150.558	1% 157,721 5 90% 15,772 \$ 2035E 25,493 1% 30% 15% 1,147 41,824 1% 47,751 5 2% 88,776 98,777 15% 13,317 31,218 1%	175,518 90° 5 175,518 90° 5 17,552 2030 25,744 113 30° 15° 5 42,044 1.15° 5 42,044 1.15° 5 42,044 1.15° 5 42,044 1.15° 5 100° 5
Change in cost of therapy Sales Risk adjustment Cital Revenue (M. ions)  Citals Revenue (M. ions)  Change in incidence Pasients elligible for treatment, insurance coverage, 75%  M. Market share Total pasients receiving treatment increase in price Sales Risk adjustment Total Revenue (M. ions)  Eadder (Ther motox) Incidence Change in incidence Pasient Population in US Pasients elligible for treatment M. Market share Total pasients receiving treatment Cost of thempy Increase in price	5	0%  - \$ 2017E 22,850 0% - \$ 40,000 \$	0%  2018E 22,850 1% 0% 40,000 \$  2018E 62,078 71,400 71,400 0%	0% - \$ 2019E 23.079 1% - 0% - 40.000 \$ 2019E 83.721.2% - 728.28 728.28 0%	0%  2020E 23,309 1% 0% 40,000 \$  2010E 65,39% 74,2846 74,285 0%	0%  S  2021E 23.542 1% 0% 40.000 S  2021E 67.103 2% 75.7703 75.770 0%	0%	0%  2023E 24,016 1% 0% 40,000 \$  2023E 90,022 2% 789,314 78,831 0%	0% S 2024E 24256 1% 0% 40,000 S S 2024E 92,435 2% 60,408 60,408 0% 20,000 S	28.482 5 90% 28.482 9 90% 28.482 9 90% 28.482 9 90% 28.489 9 90% 28.489 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	1 % 54,029 \$ 90% \$ 90% \$ 90% \$ 90% \$ 90% \$ 1 %	40,004 S 15 16 17 18 18 19 18 19 18 18 18 18 18 18 18 18 18 18 18 18 18	4 1212 S 1914 14 156 S 2021 E 156 S	1% 157,721 5 90% 15,772 \$ 20,725	175,518 90% 175,518 90% 17,552 2030 25,748 30% 15% 1,1555 42,040 19 100% 104,097 20 905,522 905,525 15% 13,583 31,530

Source: Dawson James



## **VALUATION**

Our valuation is derived by our revenue projections for ThermoDox and GEN-1 in their respective indications of Hepatocellular carcinoma and ovarian cancer. We do not model any potential revenues from these programs until at least 2023 and project our model through the year 2030. Our therapeutic models are risk-adjusted. For the U.S. for ThermoDox we use just a 75% risk rate (25% probability of success), and in China we reduce this to 50%. For GEN-1 we assume just a 10% probability of success. Our models factor in assumed financings and use a fully diluted out-year (2030) share count. We triangulate FCFF, discounted EPS, and sum-of-the-parts models. We then averaged and equally weighted each model to derive the NPV and round to the nearest whole number to set our target price. Investors should recognize that this modeling exercise, which models out for ten years, while projected based on the current data and estimates, is limited in its ability to predict a 12-month target. The price of the stock will ultimately be driven near term by factors such as news flow, early trial data, and cyclic concerns of financings (dilution).

**Exhibit 1. Free Cash Flow Model** 

	Average \$	5.09												
	Price Target \$ Year	4.41 2020												
DCF Valuation Using FCF (mln):														
units ('000)			2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
EBIT			(18,668)	(23,157)	(16,450)	(17,215)	1,319	2,881	25,373	29,939	58,661	86,667	114,556	141,073
TaxRate			0%	0%	0%	0%	0%	5%	10%	15%	20%	25%	26%	27%
EBIT(1-t)			(18,668)	(23,157)	(16,450)	(17,215)	1,319	2,737	22,836	25,449	46,929	65,000	84,771	102,984
CapEx			-											
Depreciation			-											
Change in NWC			-											
FCF			(18,668)	(23,157)	(16,450)	(17,215)	1,319	2,737	22,836	25,449	46,929	65,000	84,771	102,984
PV of FCF			(21,468)	(23,157)	(14,305)	(13,017)	868	1,565	11,353	11,002	17,642	21,249	24,097	25,456
Discount Rate			15%											
Long Term Growth Rate			1%											
Terminal Cash Flow			742,953											
Terminal Value YE2030			183,647											
NPV			224,932											
NPV-Debt														
Shares out (thousands)			50,955	2030E										
NPV Per Share		\$	4.41											
Source: Dawson Jam	es													

**Exhibit 2. Discounted EPS Model** 

	 ~-
Current Year	2020
Year of EPS	2030
Earnings Multiple	10
Discount Factor	15%
Selected Year EPS	\$ 2.03
NPV	\$ 5.01
Source: Dawson James Estimates	

	Discount Rate and Earnings Multiple Varies, Year is Constant 2030 EPS										
	-	5%	10%	15%	20%	25%	30				
Earnings	_	64.04	60.70	<b>60.50</b>	60.00	#0.00 #	0.45				
Multiple	1	\$1.24	\$0.78	\$0.50	\$0.33	\$0.22 \$	0.15				
	5	\$6.22	\$3.90	\$2.50	\$1.64	\$1.09 \$	0.73				
	10	\$12.43	\$7.81	\$5.01	\$3.27	\$2.17 \$	1.47				
	15	\$18.65	\$11.71	\$7.51	\$4.91	\$3.26 \$	2.20				
	20	\$24.86	\$15.61	\$10.01	\$6.54	\$4.35 \$	2.94				
	25	\$31.08	\$19.52	\$12.51	\$8.18	\$5.44 \$	3.67				
	30	\$37.30	\$23.42	\$15.02	\$9.81	\$6.52 \$	4.41				
	35	\$43.51	\$27.33	\$17.52	\$11.45	\$7.61 \$	5.14				

Source: Dawson James

**Exhibit 3. Sum of the Parts Model** 

	LT Gr	Discount Rate	Yrs. to Mkt	% Success	Peak Sales MM's	Term Val
ThermoDox/HCC (US)	1%	15%	4	65%	\$11	\$76.51
NPV						\$0.37
Thermodox/HCC (China)	1%	15%	4	65%	\$146	\$1,046
NPV						\$5.03
Gen1/Ovarian Cancer (US)	1%	15%	6	65%	\$18	\$125
NPV						\$0.46
Net Margin						65%
MM Shrs OS (2030E)						50
Total						\$5.86

Source: Dawson James



# Risk Analysis

**Investment Risk:** The company faces multiple investment risks from product management, market share adoption, and commercialization to regulatory and competitive environment associated risks.

**Clinical and regulatory risk:** Celsion is currently in the process of completing its FDA clinical trials. There is no assurance that their product will be approved by the FDA and that even if approved if it will be reimbursed by insurance or successfully commercialized.

**Commercial risk:** The focus of the company is on successfully developing their products and eventually bring them to the mass market. We can make no assurances that the company will be able to achieve a critical level of market share to become profitable in this indication and or in additional planned indications.

**Employee risk:** Celsion's core management team is experienced and has clear expectations for the future of the company. Celsion plans to bring their proposed products to market as efficiently as possible, and their success will depend heavily upon the experience, abilities, and continued services of its senior officers, sales staff, and key scientific personnel.

**Financial risk:** Celsion may need to raise additional capital in the marketplace to continue to fund operations through more trials and eventually an NDA and possible commercial launch. There can be no assurances that the company will be able to successfully raise capital and do so on favorable terms.

**Intellectual property risk:** Celsion may have to defend its patents and technical know-how, and there can be no assurances that the patents will not be infringed or will be held as valid if challenged, and the company may infringe on third party's patents.

Reimbursement and insurance payment risk: Insurance payment for products may be an additional hurdle for adoption.



# **Exhibit 4. Income Statement**

Celsion Corporation.: Income Statement (\$000)																						
.: YE December 31		2018A	2019A	1Q20A	2Q20E	3Q20E	4Q20E	2020E	1Q21E	2Q21E	3Q21E	4Q21E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Product sales																						
Hepatocellular Carcinoma; (US) (ThermoDox)			-										-	-	1,518	3,190	5,026	7,039	9,242	9,708	10,197	10,711
Hepatocellular Carcinoma; (China) (ThermoDox)		-	-					-						-	21,230	22,090	44,185	45,073	68,968	93,806	119,615	146,423
Ovarian Cancer (Gen-1)		-	-					-					-	-	-	-	2,648	5,403	11,023	14,056	15,772	17,552
Glioblastoma (pre-clinical)		-	-					-					-	-	-	-	-	-	-	-	-	-
Non-Muscle Invasice bladder cancer (Pre-clinical)		-	-					-					-	-	-	-	-					-
Licensing Revenue		500	500	125				125														
Total Product Sales		500	500	125				125							22,749	25,280	51,859	57,515	89,234	117,570	145,584	174,686
Operating Expenses																						
Cost of Goods Sold															3,412	3,539	6,742	6,902	8,923	8,230	7,279	8,734
	%COGS														15%	14%	13%	12%	10%	7%	5%	5%
Research and Development		11,866	13,065	3,052	3,430	3,430	3,567	13,719	3,457	3,601	3,601	3,745	14,405	15,125	15,881	16,675	17,509	18,384	19,303	20,269	21,282	22,346
	%R&D																					
General and Administrative		9,700	8,000	1,839	2,100	2,100	2,184	8,400	212	221	221	229	882	926	972	1,021	1,072	1,126	1,182	1,241	1,303	1,368
	%SG&A														4%							
Acquistion Costs																						
Total expenses		21,565	21,065	4,891	5,530	5,530	5,751	22,119	3,669	3,822	3,822	3,974	15,287	16,051	20,266	21,235	25,323	26,412	29,409	29,740	29,864	32,449
Operating Income (Loss)		(21,065)	(20,565)	(4,766)	(5,530)	(5,530)	(5,751)	(21,994)	(3,669)	(3,822)	(3,822)	(3,974)	(15,287)	(16,051)	2,483	4,045	26,536	31,103	59,825	87,830	115,720	142,237
Investment income, net		354	501	(41)	(41)	(41)	(41)	(165)	(41)	(41)	(41)	(41)	(165)	(165)	(165)	(165)	(165)	(165)	(165)	(165)	(165)	(165)
Interest expense		(712)	(1,393)	(339)	(339)	(339)	(339)	(1,357)	(339)	(339)	(339)	(339)	(1,357)	(1,357)	(1,357)	(1,357)	(1,357)	(1,357)	(1,357)	(1,357)	(1,357)	(1,357)
Gain (loss) from change in valuation of common stock warrant liability																						
Loss from impairment of in-process research and development Other income (expense)		(4,510)	29	88	88	88	88	353	88	88	88	88	353	353	353	353	353	353	353	353	353	353
Loss from valuation of earn-out milestone liability		3,631	3,189	1	1	1	1	6	1	1	1	1	6	6	6	6	6	6	6	6	6	6
Fair value of warrants issued in connection with amendment		-,	(400)				-	- 1				- '	. ]									
Total other income		(1,237)	29	(291)	(291)	(291)	(291)	(1,164)	(291)	(291)	(291)	(291)	(1,164)	(1,164)	(1,164)	(1,164)	(1,164)	(1,164)	(1,164)	(1,164)	(1,164)	(1,164)
Pretax Income		(22,302)	(18,668)	(5,057)	(5,821)	(5,821)	(6,042)	(23,157)	(3,960)	(4,113)	(4,113)	(4,265)	(16,450)	(17,215)	1,319	2,881	25,373	29,939	58,661	86,667	114,556	141,073
Income Tax Benefit (Provision)		10,419	1,816												-	144	2,537	4,491	11,732	21,667	29,785	38,090
Tax Rate															0%	5%	10%	15%	20%	25%	26%	27%
GAAP Net Income (loss)		(11,883)	(16,852)	(5,057)	(5,821)	(5,821)	(6,042)	(23,157)	(3,960)	(4,113)	(4,113)	(4,265)	(16,450)	(17,215)	1,319	2,737	22,836	25,449	46,929	65,000	84,771	102,984
Deemed dividend related to warrant modification																						
Net Income attributable to common shareholders(loss)		(11,883)																				
Basic and Diluted		(0.68)																				
GAAP-EPS		(0.68)	(0.77)	(0.20)	(0.12)	(0.12)	(0.12)	(0.56)	(0.08)	(80.0)	(0.08)	(0.09)	(0.33)	(0.34)	0.1	0.1	0.5	0.5	0.9	1.3	1.7	2.0
GAAP EPS (dil)			(0.77)	(0.20)	(0.12)	(0.12)	(0.12)	(0.56)	(0.08)	(80.0)	(0.08)	(0.09)	(0.33)	(0.34)	0.1	0.1	0.5	0.5	0.9	1.3	1.7	2.0
Wgtd Avg Shrs (Bas) - '000s		17,583	21,832	25,804	46,901	49,648	49,698	43,013	49,747	49,797	49,847	49,897	49,822	49,947	50,072	50,197	50,323	50,448	50,575	50,701	50,828	50,955
Wgtd Avg Shrs (Dil) - '000s		17,583	21,832	25,804	46,901	49,648	49,698	43,013	49,747	49,797	49,847	49,897	49,822	49,947	50,072	50,197	50,323	50,448	50,575	50,701	50,828	50,955

Source: Dawson James estimates



# Companies mentioned in this report

Celsion Corporation

# **Important Disclosures:**

#### **Price Chart:**



Price target and rating changes over the past three years:

Initiated – Buy – August 5, 2019 – Price Target \$4.00

Update – Buy – August 14, 2019 – Price Target \$4.00

Update - Buy - August 19, 2019 - Price Target \$4.00

Update – Buy – November 5, 2019 – Price Target \$4.00

Update – Buy – February 6, 2020 – Price Target \$4.00

Update – Buy – April 16, 2020 – Price Target \$4.00

Update – Buy – May 18, 2020 – Price Target \$4.00

Update – Buy – June 25, 2020 – Price Target Increase from \$4.00 to \$5.00

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- Buy: The analyst believes the price of the stock will appreciate and produce a total return of at least 20% over the next 12-18 months;
- Neutral: The analyst believes the price of the stock is fairly valued for the next 12-18 months:
- 3) **Sel**l: The analyst believes the price of the stock will decline by at least 20% over the next 12-18 months and should be sold.

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	Company Co	verage	Investment Banking			
Ratings Distribution	# of Companies	% of Total	# of Companies	% of Totals		
Market Outperform (Buy)	23	92%	3	13%		
Market Perform (Neutral)	2	8%	1	50%		
Market Underperform (Sell)	0	0%	0	0%		
Total	25	100%	4	16%		

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