

Member FINRA/SIPC

Toll-Free: 561-391-5555 ♦ www.DawsonJames.com ♦ 101 North Federal Highway - Suite 600 ♦ Boca Raton, FL 33432

Dare Bioscience (NASDAQ/DARE)

BUY: BV1 Top-Line Data by YE Could Be Transformative

November 13, 2020

Jason Kolbert
 Healthcare Research
 jkolbert@dawsonjames.com

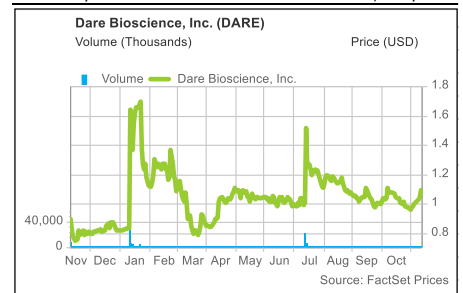
Dare held the third-quarter call. The company spent \$7.6M and closed the period with \$5.4M in cash, preserving the balance sheet by selling stock through its ATM facility (raising \$3.6M and increasing shares by just under 5M shares). We view this as “smart” capital management. We believe the company’s focus should now be on BV1. We expect to-line data by year-end, and which potentially sets the stage on good data for a PDUFA date next year and commercialization in 2022. **Good data has the potential to be “transformative” for the company & shareholders.**

Current Price	\$1.07
Price Target	\$3.00

Estimates	F2019A	F2020E	F2021E
Expenses (\$000s)	\$ 14,345	\$ 15,737	\$ 17,267
1Q March	\$ 3,083	\$ 4,254	\$ 4,144
2Q June	\$ 3,982	\$ 7,126	\$ 3,988
3Q September	\$ 3,419	\$ 7,582	\$ 4,478
4Q December	\$ 3,861	\$ (3,225)	\$ 4,657
	F2019A	F2020E	F2021E
EPS (diluted)	\$ (0.97)	\$ (0.60)	\$ (0.29)
1Q March	\$ (0.27)	\$ (0.18)	\$ (0.07)
2Q June	\$ (0.29)	\$ (0.27)	\$ (0.07)
3Q September	\$ (0.20)	\$ (0.24)	\$ (0.08)
4Q December	\$ (0.20)	\$ 0.09	\$ (0.08)

EBITDA/Share	(\$0.90)	(\$0.52)	(\$0.34)
EV/EBITDA (x)	0.0	0.0	0.0

Stock Data			
52-Week Range	\$0.69	-	\$2.22
Shares Outstanding (mil.)	31.6		
Market Capitalization (mil.)	\$34		
Enterprise Value (mil.)	\$29		
Debt to Capital	0%		
Book Value/Share	\$2.20		
Price/Book	36.6		
Average Three Months Trading Volume (K)	621		
Insider Ownership	9.9%		
Institutional Ownership	4.1%		
Short interest (mil.)	0.8%		
Dividend / Yield	\$0.00/0.0%		



Investment Highlights

BV1 “One & Done.” DARE-BV1 is in development for bacterial vaginosis (BV). Differentiating characteristics include a gel technology (w/Clindamycin) which allows for local delivery and a one-time application. With high cure rates, as high as 86% just 7-14 days after a single administration, the product appears superior to the standard of care treatments that average 50%. The Phase 3 study is on track for a data read-out by year-end, setting up a 2021 filing.

Ovaprene. Dare has announced plans to file an Investigational Device Exemption (IDE) for Ovaprene (a once monthly product). Upon FDA acceptance, the company would then initiate a pivotal contraceptive effectiveness and safety clinical study of Ovaprene with data by year-end 2022. The goal being, based on this trial, to pursue U.S., European and other key countries and realize Bayer’s opt-in as part of the agreement announced earlier this year.

Female Viagra. Yes, It’s time. Female Sexual Arousal Disorder – FSAD is real, and Sildenafil cream (the active ingredient of Viagra) has shown efficacy to address a segment of the female population (10M-plus sexually active women) that are currently living with the disorder. Although FSAD affects more women than erectile dysfunction affects men, there are currently no approved products on the market. Phase 2b trial top-line data is expected by YE-2021.

Valuation: We assume that DARE-BV1 can be commercialized in 2022 and that Ovaprene can follow in the U.S. in 2023 and in the EU in 2025. For Sildenafil cream, we expect commercialization in the U.S. in 2024 and in the EU in 2026. We assume a 30% discount rate in our Free Cash Flow to the Firm (FCFF), Discounted EPS (dEPS), and Sum-of-the-Parts (SOP) models due to the risks associated with each product. This results in models which are equally weighted and rounded to the nearest whole number, for a \$3.00 price target.

Risk to our thesis, include the following: (1) commercial; (2) regulatory; (3) clinical; (4) manufacturing; (5) financial; (6) liability; and (7) intellectual property.

Modeling Assumptions

1. We present therapeutic models for the company's three products, DARE-BV1, Ovaprene, and Sildenafil. For each of these products, we apply just a 50% probability of success. One could argue that this is conservative as each product has either demonstrated a viable mechanism of action or established proof of concept in well-designed Phase 2 trials.
 - a. DARE-BV1. We assume DARE-BV1 has a 50% probability of success, with commercialization in the U.S. in 2022 with a price of \$200. We assume modest price increases of just 1% annually.
 - b. Ovaprene. We assume Ovaprene has a 50% probability of success, with commercialization in the U.S. in 2023 and in the EU in 2025. We note that an EU trial may not be required to file, depending on U.S. results; however, for conservatism, we assume an EU trial. We assume Ovaprene will have a price comparable to NuvaRing, beginning at \$1650 per year and a y/y price increase of 1%.
 - c. Sildenafil. We assume Sildenafil has a 50% probability of success, with commercialization in the U.S. in 2024 and in the EU in 2026. We assume Sildenafil will have a price comparable to Viagra for men, beginning at \$1950 per year and a y/y price increase of 1%.
2. We assume a royalty product model for all three products. We model a 25% royalty to Dare based on top-line revenues. As part of our calculus, we assume research and development expenses are offset by a partnership that will reduce the financial burden. We do not assume zero R&D, as we expect the company to remain active in both new product development and in the participation of existing products. These assumptions also impact of SG&A line, where we estimate just 10% annual growth in expenses. Our COGS assumptions are set to 17% of revenues, and this may prove to be conservative.
3. Our company valuation is based on a fully diluted out year share count, with capital raises and issued shares. We use a 30% risk rate in our FCFE, dEPS, and SOP models. This risk rate is in addition to our therapeutic models "probability factor."

Exhibit 1. Ovaprene (U.S.)

U.S. - Ovaprene	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Women using contraceptives ('000)	41,650	42,500	43,350	44,217	45,101	46,003	46,923	47,862	48,819	49,796	50,791	51,807	52,843
40% unsatisfied	16,660	17,000	17,340	17,687	18,041	18,401	18,769	19,145	19,528	19,918	20,317	20,723	21,137
50% shorter-acting & reversible	8,330	8,500	8,670	8,843	9,020	9,201	9,385	9,572	9,764	9,959	10,158	10,361	10,569
22% on non-hormonal methods	9,163	9,350	9,537	9,728	9,922	10,121	10,323	10,530	10,740	10,955	11,174	11,398	11,626
Target Patient Population ('000)	20,825	21,250	21,675	22,109	22,551	23,002	23,462	23,931	24,410	24,898	25,396	25,904	26,422
Market share					1%	2%	2%	3%	3%	4%	4%	5%	5%
Patients treated					230,017	351,926	478,619	610,239	746,933	888,850	1,036,145	1,188,977	1,347,327
Cost \$1500/year (NuvaRing) 10% premium					\$ 1,650	\$ 1,667	\$ 1,683	\$ 1,700	\$ 1,717	\$ 1,734	\$ 1,752	\$ 1,769	\$ 1,786
Price Change					1%	1%	1%	1%	1%	1%	1%	1%	1%
Revenues ('000)					\$ 379,528	\$ 586,484	\$ 805,595	\$ 1,037,405	\$ 1,282,481	\$ 1,541,414	\$ 1,814,817	\$ 2,103,327	\$ 2,407,327
Probability of Success					50%	50%	50%	50%	50%	50%	50%	50%	50%
Adjusted Revenues (M)					\$ 189,764	\$ 293,242	\$ 402,797	\$ 518,702	\$ 641,241	\$ 770,707	\$ 907,408	\$ 1,051,664	\$ 1,203,664
Assume Royalty Model 25%					\$ 47,441	\$ 73,311	\$ 100,699	\$ 129,676	\$ 160,310	\$ 192,677	\$ 226,852	\$ 262,916	\$ 300,000

Source: Dawson James estimates, company reports

Exhibit 2. Ovaprene (EU)

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Women using contraceptives ('000)	45,815	46,750	47,685	48,639	49,611	50,604	51,616	52,648	53,701	54,775	55,871	56,988	58,128
40% unsatisfied	18,326	18,700	19,074	19,455	19,845	20,241	20,646	21,059	21,480	21,910	22,348	22,795	23,251
50% shorter-acting & reversible	9,163	9,350	9,537	9,728	9,922	10,121	10,323	10,530	10,740	10,955	11,174	11,398	11,626
22% on non-hormonal methods	10,079	10,285	10,491	10,701	10,915	11,133	11,355	11,583	11,814	12,051	12,292	12,537	12,788
Target Patient Population ('000)	22,908	23,375	23,843	24,319	24,806	25,302	25,808	26,324	26,851	27,388	27,935	28,494	29,064
Market share					0%	0%	1%	1%	2%	2%	3%	3%	3%
Patients treated					-	-	131,620	268,505	410,813	558,706	712,350	871,916	1,037,327
Cost \$1500/year (NuvaRing) 10% premium					\$ 1,650	\$ 1,667	\$ 1,683	\$ 1,700	\$ 1,717	\$ 1,734	\$ 1,752	\$ 1,769	\$ 1,786
Price Change					1%	1%	1%	1%	1%	1%	1%	1%	1%
Revenues ('000)					\$ -	\$ -	\$ 221,539	\$ 456,458	\$ 705,365	\$ 968,889	\$ 1,247,687	\$ 1,542,440	\$ 1,847,293
Probability of Success					50%	50%	50%	50%	50%	50%	50%	50%	50%
Adjusted Revenues (M)					\$ -	\$ -	\$ 110,769	\$ 228,229	\$ 352,682	\$ 484,444	\$ 623,843	\$ 771,220	\$ 929,664
Assume Royalty Model 25%					\$ -	\$ -	\$ 27,692	\$ 57,057	\$ 88,171	\$ 121,111	\$ 155,961	\$ 192,805	\$ 231,000

Source: Dawson James estimates, company reports

Exhibit 3. DARE-BV1

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total BV Population ('000)	21,200	21,836	22,491	23,166	23,861	24,577	25,314	26,073	26,856	27,661	28,491	29,346	30,226
19% unsatisfied/Target patient population ('000)	4028	4149	4273	4402	4534	4670	4810	4954	5103	5256	5413	5576	5743
Market share					3%	5%	7%	10%	11%	12%	12%	12%	12%
Patients treated				-	136,006	233,478	336,675	495,393	561,280	630,675	649,595	669,083	689,156
Price				\$200	\$202	\$204	\$206	\$208	\$210	\$212	\$214	\$217	\$219
Price Change					1%	1%	1%	1%	1%	1%	1%	1%	1%
Revenues ('000)				\$ -	\$ 27,473	\$ 47,634	\$ 69,375	\$ 103,102	\$ 117,982	\$ 133,895	\$ 139,291	\$ 144,904	\$ 150,744
Probability of Success				50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Adjusted Revenues (M)				\$ -	\$ 13,737	\$ 23,817	\$ 34,688	\$ 51,551	\$ 58,991	\$ 66,947	\$ 69,645	\$ 72,452	\$ 75,372
Assume Royalty Model 25%				\$ -	\$ 3,434	\$ 5,954	\$ 8,672	\$ 12,888	\$ 14,748	\$ 16,737	\$ 17,411	\$ 18,113	\$ 18,843
Revenue to Daré				\$ -	\$ 3,434	\$ 5,954	\$ 8,672	\$ 12,888	\$ 14,748	\$ 16,737	\$ 17,411	\$ 18,113	\$ 18,843

Source: Dawson James estimates, company reports

Exhibit 4. Sildenafil Cream (U.S.)

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total FSAD Population ('000)	20,625	21,038	21,458	21,887	22,325	22,772	23,227	23,692	24,165	24,649	25,142	25,645	
% seeking treatment 50% ('000)	10,313	10,519	10,729	10,944	11,163	11,386	11,614	11,846	12,083	12,324	12,571	12,822	
Market share						5%	8%	11%	13%	14%	14%	14%	
Patients treated						569,292	929,084	1,303,040	1,570,756	1,725,415	1,759,923	1,795,122	
Price						\$ 1,950	\$ 1,989	\$ 2,029	\$ 2,069	\$ 2,111	\$ 2,153	\$ 2,196	
Price Change						1%	1%	1%	1%	1%	1%	1%	
Revenues ('000)						\$ 1,110,119	\$ 1,847,948	\$ 2,643,582	\$ 3,250,452	\$ 3,641,907	\$ 3,789,040	\$ 3,942,117	
Probability of Success						50%	50%	50%	50%	50%	50%	50%	
Adjusted Revenues (M)						\$ 555,059	\$ 923,974	\$ 1,321,791	\$ 1,625,226	\$ 1,820,953	\$ 1,894,520	\$ 1,971,059	
Assume Royalty Model 25%						\$ 138,765	\$ 230,994	\$ 330,448	\$ 406,307	\$ 455,238	\$ 473,630	\$ 492,765	

Source: Dawson James estimates, company reports

Exhibit 5. Sildenafil Cream (EU)

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total FSAD Population ('000)	20,625	21,038	21,458	21,887	22,325	22,772	23,227	23,692	24,165	24,649	25,142	25,645	
% seeking treatment 50% ('000)	10,313	10,519	10,729	10,944	11,163	11,386	11,614	11,846	12,083	12,324	12,571	12,822	
Market share						5%	8%	11%	13%	14%	14%	14%	
Patients treated						569,292	929,084	1,303,040	1,570,756	1,725,415	1,759,923	1,795,122	
Price						\$ 1,950	\$ 1,989	\$ 2,029	\$ 2,069	\$ 2,111	\$ 2,153	\$ 2,196	
Price Change						1%	1%	1%	1%	1%	1%	1%	
Revenues ('000)						\$ 1,110,119	\$ 1,847,948	\$ 2,643,582	\$ 3,250,452	\$ 3,641,907	\$ 3,789,040	\$ 3,942,117	
Probability of Success						50%	50%	50%	50%	50%	50%	50%	
Adjusted Revenues (M)						\$ 555,059	\$ 923,974	\$ 1,321,791	\$ 1,625,226	\$ 1,820,953	\$ 1,894,520	\$ 1,971,059	
Assume Royalty Model 25%						\$ 138,765	\$ 230,994	\$ 330,448	\$ 406,307	\$ 455,238	\$ 473,630	\$ 492,765	

Source: Dawson James estimates, company reports

Valuation. We apply therapeutic probabilities of success in our product models; see model assumptions for complete details. For all three products, we apply a 50% probability. To this, we then apply a 30% discount rate on our Free Cash Flow to the Firm, Discounted EPS, and Sum-of-the-Parts models, which are equally weighted, averaged and rounded to the nearest whole number to derive our \$3.00 price target. Our assumptions are based on out-year estimates (2030) and assume a fully diluted share count (assume multiple capital raises).

Exhibit 6. Free Cash Flow Model (\$)

Average		3										
Price Target	3											
Year	2020											

DCF Valuation Using FCF (mln):												
units ('000)	2019A	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
EBIT	(15,054)	(15,652)	(13,877)	(15,217)	32,767	60,414	116,733	176,344	237,997	303,431	372,471	444,991
Tax Rate	0%	0%	0%	0%	0%	0%	15%	20%	30%	33%	37%	37%
EBIT (1-t)	(15,054)	(15,652)	(13,877)	(15,217)	32,767	60,414	99,223	141,075	166,598	203,299	234,657	280,344
CapEx	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	11	24	-	-	-	-	-	-	-	-	-	-
Change in NWC	-	-	-	-	-	-	-	-	-	-	-	-
FCF	(15,042)	(15,628)	(13,877)	(15,217)	32,767	60,414	99,223	141,075	166,598	203,299	234,657	280,344
PV of FCF	(19,555)	(15,628)	(10,674)	(9,004)	14,914	21,152	26,724	29,227	26,550	24,922	22,128	20,336
Discount Rate	30%											
Long Term Growth Rate	1%											
Terminal Cash Flow	976,371											
Terminal Value YE2030	70,824.17											
NPV	201,917											
NPV-Debt												
Shares out ('000)	58,245	2030E										
NPV Per Share	3											

Source: Dawson James estimates, company reports

Exhibit 7. Discounted-EPS Model

Current Year	2020
Year of EPS	2030
Earnings Multiple	5
Discount Factor	30%
Selected Year EPS	\$ 7.64
NPV	3

Discount Rate and Earnings Multiple Varies, Year is Constant							
Earnings Multiple	2.77	5%	10%	15%	20%	25%	30%
	0	0	0	0	0	0	0
5	23.07	14.49	9.29	6.07	4.04	2.73	
10	46.15	28.98	18.58	12.14	8.07	5.45	
15	69.22	43.47	27.87	18.21	12.11	8.18	
20	92.30	57.96	37.16	24.28	16.14	10.91	
25	115.37	72.46	46.45	30.35	20.18	13.63	
30	138.45	86.95	55.74	36.42	24.21	16.36	
35	161.52	101.44	65.04	42.49	28.25	19.09	

Source: Dawson James estimates, company reports

Exhibit 8. Sum-of-the-Parts Model

	LT Gr	Discount Rate	Yrs to Peak	% Success	Peak Sales (MM's)	Term Val)
US - Ovaprene	1%	30%	5	75%	\$263	\$907
NPV						\$0.6
EU - Ovaprene	1%	30%	6	75%	\$193	\$665
NPV						\$0.4
US - DARE-BV1	1%	30%	5	75%	\$19	\$65
NPV						\$0.0
US - Sildenafil Cream	1%	30%	6	75%	\$493	\$1,699
NPV						\$0.9
EU - Sildenafil Cream	1%	30%	6	75%	\$474	\$1,633
NPV						\$0.9
Net Margin						20%
MM Shrs OS (2030E)						58
Total						\$3

Source: Dawson James estimates

Exhibit 9. Income Statement

DARE: Income Statement (\$'000)																	
YE December	2018A	2019A	1Q20A	2Q20A	3Q20A	4Q20E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2Q28E	2Q29E	2Q30E
Revenue:																	
DARE-BV1								-	13,737	23,817	34,688	51,551	58,991	66,947	69,645	72,452	75,372
Opavrene										189,764	293,242	513,567	746,931	993,923	1,255,152	1,531,252	1,822,884
Sildenafil Cream										555,059	1,479,033	2,245,765	2,245,765	2,947,017	3,446,180	3,715,473	3,865,579
Total Product Sales								-	13,737	213,581	882,989	2,044,151	3,051,688	4,007,888	4,770,977	5,319,177	5,763,834
DARE-BV1 Royalty Revenue (US)								-	3,434	5,954	8,672	12,888	14,748	16,737	17,411	18,113	18,843
Opavrene Royalty Revenue (US)										47,441	73,311	100,699	129,676	160,310	192,677	226,852	262,916
Opavrene Royalty Revenue (EU)												27,692	57,057	88,171	121,111	155,961	192,805
Sildenafil Cream Royalty Revenue (US)											138,765	230,994	330,448	406,307	455,238	473,630	492,765
Sildenafil Cream Royalty Revenue (EU)											138,765	230,994	330,448	406,307	455,238	473,630	492,765
Total royalties, collaborative revenue								-	3,434	53,395	220,747	511,038	762,922	1,001,972	1,192,744	1,329,794	1,440,959
Total Revenue Received by Dare								-	3,434	53,395	220,747	511,038	762,922	1,001,972	1,192,744	1,329,794	1,440,959
Expenses:																	
Costs of Goods Sold								-	584	9,077	37,527	86,876	129,697	170,335	202,767	226,065	244,963
%COGS		17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%
General & Administrative	4,656	5,266	1,862	1,558	1,353	1,020	5,793	6,372	7,009	7,710	8,481	9,329	10,262	11,288	12,417	13,659	15,025
Research & Development	6,414	8,546	2,380	5,547	6,204	(4,730)	9,401	10,341	13,443	14,787	16,266	15,941	15,622	15,309	14,697	14,109	13,827
License Expense	625	533	13	21	25	485	544	555	582	611	642	674	708	743	780	819	860
Impairment of Goodwill	5,188																
Total Expenses	16,882	14,345	4,254	7,126	7,582	(3,225)	15,737	17,267	21,034	23,108	25,389	25,944	26,591	27,341	27,894	28,587	29,712
Operating Income (Loss)	(16,882)	(14,345)	(4,254)	(7,126)	(7,582)	3,225	(15,737)	(17,267)	(17,600)	30,287	56,594	115,336	174,889	237,877	303,305	372,339	444,852
Other income (expense)	143	81	2	2	(1)	83	85	89	94	98	103	109	114	120	126	132	139
Trigger Down Dvd		(790)			(7)												
Pretax Income	(16,739)	(15,054)	(4,252)	(7,124)	(7,590)	3,307	(15,659)	(17,178)	(17,506)	30,385	56,697	115,444	175,003	237,997	303,431	372,471	444,991
Income Taxes																	
Tax Rate											0%	15%	20%	30%	33%	37%	37%
GAAP Net Income (Loss)	(16,817)	(15,061)	(4,274)	(7,124)	(7,589)	3,307	(15,680)	(17,178)	(17,506)	30,385	56,697	115,444	175,003	237,997	303,431	372,471	444,991
Fx Translation	(79)		(22)	12													
GAAP Total Comprehensive Income (Loss)	-	(15,061)	(4,296)	(7,112)	(7,589)	3,307	(15,680)	(17,178)	(17,506)	30,385	56,697	115,444	175,003	237,997	303,431	372,471	444,991
GAAP-EPS	(1.57)	(0.97)	(0.18)	(0.27)	(0.24)	0.09	(0.60)	(0.36)	(0.35)	0.59	1.06	2.07	3.01	3.94	4.82	5.69	6.53
Fully Diluted EPS	(1.69)	(0.90)	(0.18)	(0.27)	(0.24)	0.09	(0.60)	(0.42)	(0.41)	0.69	1.24	2.42	3.52	4.60	5.64	6.65	7.64
Wgtd Avg Shrs (Bas) - '000s	10,732	15,799	23,799	26,711	31,588	38,518	30,154	47,611	49,545	51,556	53,650	55,828	58,095	60,454	62,909	65,463	68,121
Wgtd Avg Shrs (Dil) - '000s	11,422	16,736	23,799	26,711	31,588	38,518	30,154	40,709	42,362	44,082	45,872	47,734	49,672	51,689	53,788	55,972	58,245

Source: Dawson James estimates, company reports

Risk Analysis

In addition to the typical risks associated with development stage specialty pharmaceutical companies, potential risks specific to Dare are as follows:

Financial risk. The company may need to raise capital in the marketplace in order to successfully push its products into the next phase, and there can be no assurances that the company will be able to successfully raise capital and or do so on favorable terms.

Clinical and regulatory risk. Lead products must start and complete clinical trials. Trials may not produce results sufficient for regulatory approval.

Partnership risk. Dare may seek partnerships for clinical development support and commercialization. We have no specific knowledge of any discussions with possible partners today, and there can be no assurances that the company will be able to secure a favorable partnership.

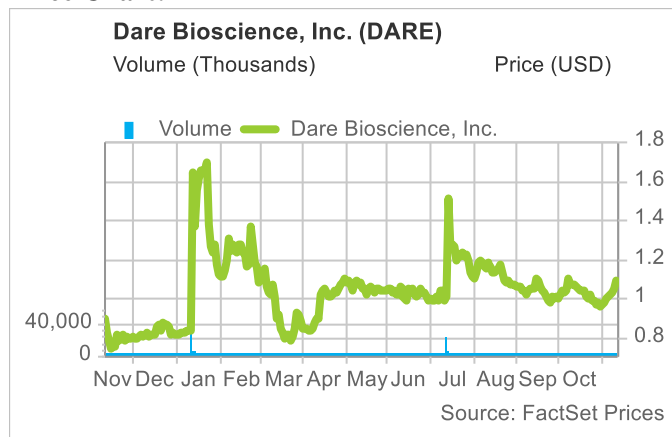
Commercial risk. There are no assurances that the company will be able to secure favorable pricing, commercially launch products, and achieve significant market share to become profitable.

Legal and intellectual property risk. The company 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 or that the company may infringe on third parties' patents.

Companies mentioned in this report:

Important Disclosures:

Price Chart:



Price target and rating changes over the past three years:

- Initiation – Buy – 7/18/2018 – Price Target \$8.00
- Update Report – Buy – 9/6/2018 – Price Target \$8.00
- Transfer of Coverage – Buy – 7/18/2019 – Price Target \$4.00
- Update Report – Buy – 8/13/2019 – Price Target \$4.00
- Update Report – Buy – 8/15/2019 – Price Target \$4.00
- Update Report – Buy – 9/10/2019 – Price Target \$4.00
- Update Report – Buy – 11/11/2019 – Price Target \$4.00
- Update Report – Buy – 11/12/2019 – Price Target \$4.00
- Update Report – Buy – 12/11/2019 – Price Target \$4.00
- Update Report – Buy – 1/13/2020 – Price Target \$4.00
- Update Report – Buy – 1/27/2020 – Price Target \$4.00
- Price Target Change – Buy – 3/31/2020 – Price Target changed from \$4.00 to \$3.00
- Update Report – Buy – 5/15/2020 – Price Target \$3.00
- Update Report – Buy – 9/1/2020 – Price Target \$3.00
- Update Report – Buy – 11/13/2020 – Price Target \$3.00

Dawson James Securities, Inc. (the “Firm”) is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”).

The Firm does not make a market in the securities of the subject company(s). The Firm has NOT engaged in investment banking relationships with Dare in the prior twelve months, as a manager or co-manager of a public offering and has NOT received compensation resulting from those relationships. The Firm may seek compensation for investment banking services in the future from the subject company(s). The Firm has NOT received any other compensation from the subject company(s) in the last 12 months for services unrelated to managing or co-managing of a public offering.

Neither the research analyst(s) whose name appears on this report nor any member of his (their) household is an officer, director or advisory board member of these companies. The Firm and/or its directors and employees may own securities of the company(s) in this report and may increase or decrease holdings in the future. As of October 13, 2020, the Firm as a whole did not beneficially own 1% or more of any class of common equity securities of the subject company(s) of this report. The Firm, its officers, directors, analysts or employees may affect transactions in and have long or short positions in the securities (or options or warrants related to those securities) of the company(s) subject to this report. The Firm may affect transactions as principal or agent in those securities.

Analysts receive no direct compensation in connection with the Firm's investment banking business. All Firm employees, including the analyst(s) responsible for preparing this report, may be eligible to receive non-product or service specific monetary bonus compensation that is based upon various factors, including total revenues of the Firm and its affiliates as well as a portion of the proceeds from a broad pool of investment vehicles consisting of components of the compensation generated by investment banking activities, including but not limited to shares of stock and/or warrants, which may or may not include the securities referenced in this report.

Although the statements in this report have been obtained from and are based upon recognized statistical services, issuer reports or communications, or other sources that the Firm believes to be reliable, we cannot guarantee their accuracy. All opinions and estimates included in this report constitute the analyst's judgment as of the date of this report and are subject to change without notice.

Information about valuation methods and risks can be found in the "VALUATION" and "RISK ANALYSIS" sections of this report.

The securities of the company discussed in this report may be unsuitable for investors depending on their specific investment objectives and financial position. This report is offered for informational purposes only and does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction where such would be prohibited. Additional information is available upon request.

Rating Definitions:

- 1) **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;
- 2) **Neutral:** the analyst believes the price of the stock is fairly valued for the next 12-18 months;
- 3) **Sell:** the analyst believes the price of the stock will decline by at least 20% over the next 12-18 months and should be sold.

The following chart reflects the range of current research report ratings for all companies, followed by the analysts of the Firm. The chart also reflects the research report ratings relating to those companies for which the Firm has performed investment banking services.

Ratings Distribution	Company Coverage		Investment Banking	
	# of Companies	% of Total	# of Companies	% of Totals
Market Outperform (Buy)	22	81%	4	18%
Market Perform (Neutral)	5	19%	1	20%
Market Underperform (Sell)	0	0%	0	0%
Total	27	100%	5	19%

Analyst Certification:

The analyst(s) whose name appears on this research report certifies that 1) all of the views expressed in this report accurately reflect his (their) personal views about any and all of the subject securities or issuers discussed; and 2) no part of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst in this research report; and 3) all Dawson James employees, including the analyst(s) responsible for preparing this research report, may be eligible to receive non-product or service-specific monetary bonus compensation that is based upon various factors, including total revenues of Dawson James and its affiliates as well as a portion of the proceeds from a broad pool of investment vehicles consisting of components of the compensation generated by investment banking activities, including but not limited to shares of stock and/or warrants, which may or may not include the securities referenced in this report.