

## Fortress Biotech (NASDAQ/FBIO)

August 17, 2021

### BUY: Derm. Franchise Delivers a Positive Revenue Surprise

*Fortress reported product revenues of \$15M, beating our estimate of \$14M and sequentially up from the prior quarter's \$11.5M. New derm products complemented the franchise and we see the potential for the business to continue to grow, but that is not really the Fortress story, in our view. The real potential upside is the pipeline and partnerships, so focus on MB-106 & MB-107 (Mustang), Caelum-Alexion – Astra-Zeneca has an option to purchase (Jan. 2022), Checkpoint (CK-301 and anti PD-L1 antibody).*

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#### Investment Highlights

**MB-107 and MB-207 (Lentiviral Gene Therapies for X-linked Severe Combined Immunodeficiency) - Partner company Mustang:** In February 2021, Fortress announced encouraging MB-107 and MB-207 clinical updates from its investigator-IND X-linked severe combined immunodeficiency (“XSCID”) trials, as well as additional consistent safety and efficacy data. On January 28, 2021, the FDA removed a CMC hold on the MB-107 Phase 2 clinical trial Investigational New Drug application after reviewing a comprehensive CMC package that was submitted in late December 2020. The company expects to enroll the first patient in this pivotal multicenter trial in 3Q21, which should lead to top-line data later early next year. An IND is expected in the 2H21 for the pivotal multicenter Phase 2 clinical trial of MB-207.

**MB-106 (CD20-targeted CAR T Cell Therapy) Partner Company - Mustang:** In May 2021, Fortress announced that the FDA approved Mustang Bio’s IND application to initiate a multicenter Phase 1/2 clinical trial investigating the safety and efficacy of MB-106, a CD20-targeted CAR T for relapsed or refractory B-cell non-Hodgkin lymphomas (“B-NHL”) and chronic lymphocytic leukemia (“CLL”).

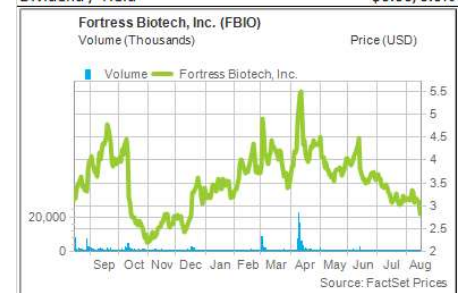
**Cosibelimab (formerly CK-301, an anti-PD-L1 antibody) - Partner company Checkpoint:** Currently in a registration-enabling study in metastatic cutaneous squamous cell carcinoma (fully enrolled) and on track to report top-line results by year-end. With a potentially favorable safety profile versus anti-PD-1 therapy and a plan to commercialize at a substantially lower price. The Phase 3 registration-enabling trial is planned for 1H21 in first-line metastatic non-small cell lung cancer.

**Olafertinib (formerly CAEL-101):** This is a light chain fibril-reactive Monoclonal Antibody for AL Amyloidosis - Partner company Caelum: Now in two Phase 3 studies for AL amyloidosis. Recall that Caelum formed a collaboration with Alexion in 2019, which includes an option to acquire Caelum. AstraZeneca announced the execution of a definitive agreement to purchase Alexion Pharmaceuticals, Inc. In the event of the closing of such transaction, the timeline for a potential exercise of the option to purchase Caelum will be accelerated to six months following the date of acquisition closing.

Current Price	\$2.82		
Price Target	\$24.00		
Commercial	Late Clinical	Early Clinical	Preclinical
Targate B	CDX-101	MB-102	ATYS-001 Gene Therapy
Amoy B	Cosibelimab	CK-101	AAV-ATP1A Gene Therapy
Eukene B	CAEL-101	MB-101	Anti-CD133
Cenacea B	IV Transfused	MB-105	Anti-CD133
Luminate B	MB-107	MB-103	CK-103
Acetate B**	MB-207	MB-108	CDNA-102
Onco B***	CDNA-101	MB-104	Control
		MB-105	KRAS G12D Oncologues
		BAER-101	Multiple Other Oncologues
		Triplex	
		Orbital	

Source: Fortress

Stock Data			
52-Week Range	\$2.12	-	\$6.10
Shares Outstanding (mil.)	97.3		
Market Capitalization (mil.)	\$274		
Enterprise Value (mil.)	\$199		
Debt to Capital	27%		
Book Value/Share	\$1.03		
Price/Book	3.0		
Average Three Months Trading Volume (K)	577		
Insider Ownership	24.4%		
Institutional Ownership	26.4%		
Short interest (mil.)	1.0%		
Dividend / Yield	\$0.00/0.0%		



**CUTX-101 (Copper Histidinate for Menkes disease) - Partner Company Cyprium:** Fortress partner Cyprium and Sentyln signed a Development and Asset Purchase Agreement for CUTX-101 for the treatment of Menkes disease. Under the terms of the agreement, Cyprium received \$8 million upfront to fund the development of CUTX-101 and could receive up to \$12 million in regulatory milestone payments through NDA approval, and it is eligible to receive sales milestones plus royalties. Royalties start from mid single digits, scaling up to 25% on sales exceeding \$100 million annually. Cyprium will retain 100% ownership over any FDA priority review voucher that may be issued at NDA approval for CUTX-101. Cyprium is responsible for the development of CUTX-101 through approval of the NDA by the FDA, and Sentyln will be responsible for commercialization of CUTX-101, as well as progressing newborn screening activities. Fortress plans to begin the rolling submission of the NDA for CUTX-101 to the FDA in the second half of 2021.

**Dotinurad (Urate Transporter (URAT1) Inhibitor) - Partner company FBIO Acquisition Corp:** In May, Fortress announced an exclusive license agreement with Fuji Yakuhin Co. Ltd. to develop Dotinurad in North America and Europe. Dotinurad is a potential best-in-class urate transporter (URAT1) inhibitor for gout and possibly other hyperuricemic indications including chronic kidney disease and heart failure. Dotinurad (URECE® tablet) was approved in Japan in 2020 as a once-daily oral therapy for gout and hyperuricemia. Dotinurad was efficacious and well-tolerated in more than 500 Japanese patients treated for up to 58 weeks in Phase 3 clinical trials.

**Valuation:** How to value Fortress? As a reminder, Fortress, as the controlling entity, reports consolidated statements. Our valuation expenses are based on GAAP numbers, but we recognize this is conservative. If we substituted Non-GAAP projections, it would actually result in a higher valuation. There are multiple ways to value a "platform therapeutics company" such as Fortress that has a majority ownership in multiple public companies with the rights to royalties and milestones (such as monetization of a priority voucher), plus the company has its own internal products that are generating revenues and internal private companies that have their own therapeutic pipeline candidates. We choose to model the key products as they exist (inside and outside the company) and project them based on the ownership percentage to the Fortress income statement. We recognize that this is a "model." It is a method to forecast future value, i.e., reporting the revenues of outside companies based on the percentage ownership (not as a 100% consolidated entity), but we do show the consolidated expenses as they are currently reported by Fortress. We view our method as doubly conservative; that is, we cut the revenues but not the expenses. One might argue we need to assess each outside company, determine net income, and apply valuation metrics, based on the projected value of the external company. We leave that for "others" to do, as our purpose is to determine: is their upside to Fortress based on the value of the holding in the external companies, the product royalties, the annual stock dividend, and the internal companies and P&L metrics of Fortress itself? We conclude yes. In our model, we do separate and show our projected revenues, royalties, and milestones. We model external and internal products. We then assume R&D, SG&A based on the current consolidated numbers. We project the share count as well as revenues, expenses, and, ultimately, net income out to 2030. For each individual product, we make certain assumptions about the timing and probability of success and apply these assumptions to our model. We apply a probability of success in our therapeutic models. This ranges from as low as 30% to as high as 70% based on what we feel is the therapeutic risk that the product will advance. In addition to the success factor, we apply a 15% discount rate ( $r$ ) in our Free Cash Flow to the Firm (FCFF), Discounted EPS (dEPS), and Sum of the Parts (SOP) models. We then average the result and round to the nearest whole number to derive our \$24.00 12-month price target.

**Risks to our thesis include the following:** (1) commercial; (2) regulatory; (3) clinical; (4) financial; and (5) intellectual property. We review these and other risks in the Risk Analysis section of this report.

## Exhibit 1. Income Statement

	2019A	2020A	1Q21A	2Q21A	3Q21E	4Q21E	2021E	1Q22E	2Q22E	3Q22E	4Q22E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
<b>Probability Revenue Forecast: ('000)</b>																				
<b>Avenue Therapeutics: IV Tramadol end use sales</b>																				
Percent Owned by Fortress	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%
<b>Revenues Attributed back to Fortress</b>																				
Mustang Bio - Bubble Boy (MB-107)								\$ 19,406	\$ 22,781	\$ 18,563	\$ 23,625	\$ 84,375	\$ 180,000	\$ 255,938	\$ 278,438	\$ 267,188	\$ 328,125	\$ 300,000	\$ 261,563	\$ 215,625
Percent Owned by Fortress	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
<b>Revenues Attributed back to Fortress</b>								5,822	6,834	5,569	7,088	25,313	54,000	76,781	83,531	80,156	98,438	90,000	78,469	64,688
<b>Cyprum - CUTX-101 - Menkes Disease</b>								\$ 5,175	\$ 6,075	\$ 4,950	\$ 6,300	\$ 22,500	\$ 67,500	\$ 112,500	\$ 157,500	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000
Percent Owned by Fortress	89%	89%	89%	89%	89%	89%	89%	89%	89%	89%	89%	89%	89%	89%	89%	89%	89%	89%	89%	89%
<b>Revenues Attributed back to Fortress</b>								4,606	5,407	4,406	5,607	20,025	60,075	100,125	140,175	160,200	160,200	160,200	160,200	160,200
<b>CheckPoint (Cosibelimab PD-L1)</b>								\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,945	\$ 94,112	\$ 188,224	\$ 282,336	\$ 376,448	\$ 470,559	\$ 564,671	\$ 658,783
Percent Owned by Fortress	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%
<b>Revenues Attributed back to Fortress</b>								-	-	-	-	-	9,582	30,116	60,232	90,347	120,463	150,579	180,695	210,811
<b>OK-101 end use sales</b>								\$ 271,206	\$ 542,413	\$ 650,896	\$ 759,378	\$ 813,619	\$ 867,861	\$ 922,102	\$ 976,343	\$ 1,030,584	\$ 1,084,825	\$ 1,139,066	\$ 1,193,307	\$ 1,247,548
Percent Owned by Fortress	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%
<b>Revenues Attributed back to Fortress</b>								-	-	-	-	-	86,786	173,572	260,358	347,144	433,930	520,716	607,502	694,288
<b>Journey Medical Corporation (Dermatology)</b>								\$ 12,536	\$ 14,171	\$ 13,081	\$ 14,716	\$ 54,506	\$ 59,956	\$ 65,952	\$ 72,547	\$ 79,802	\$ 87,782	\$ 96,560	\$ 106,216	\$ 116,837
Percent Owned by Fortress	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>Revenues Attributed back to Fortress</b>								12,536	14,171	13,081	14,716	54,506	59,956	65,952	72,547	79,802	87,782	96,560	106,216	116,837
<b>Other Revenue Back to Fortress</b>								1,323	230	240	250	280	1,000	1,100	1,210	1,331	1,464	1,611	1,772	1,949
<b>Fortress Revenues</b>	36,629	45,599	11,587	15,443	15,150	15,150	57,331	23,194	26,653	23,306	27,691	100,843	271,499	447,756	566,102	654,970	728,851	776,826	822,601	867,109
<b>Avenue Therapeutic (IV Tramadol) Royalties (4.5% on sales &gt; \$325M)</b>																				
Associate Milestones							\$ -													
Mustang Bio - Bubble Boy (MB-107) Prob. Adj. Royalties - 4.5%								\$ 873	\$ 1,025	\$ 835	\$ 1,063	\$ 3,797	\$ 8,100	\$ 11,517.19	\$ 12,530	\$ 12,023	\$ 14,766	\$ 13,500	\$ 11,770	\$ 9,703
Associate Milestones																				
Cyprum - CUTX-101 Menke's Disease - Prob. Adj. Royalties - 4.5%								\$ 311	\$ 365	\$ 297	\$ 378	\$ 1,350	\$ 11,475	\$ 28,125	\$ 39,375	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000
Associate Milestones								2,300	2,700	2,200	2,800	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
CheckPoint (Cosibelimab PD-L1) - Prob. Adj. Royalties - 4.5%								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,348	\$ 4,235	\$ 8,470	\$ 12,705	\$ 16,940	\$ 21,175
Associate Milestones																				
CheckPoint (CK-101 - TKI) - Prob. Adj. Royalties -25%													\$ 12,204	\$ 24,409	\$ 29,290	\$ 34,172	\$ 36,613	\$ 39,054	\$ 41,495	\$ 43,935
Associate Milestones													50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Total Royalties &amp; Milestones</b>	-	-	11,587	17,843	15,150	15,150	59,731	3,484	13,090	3,332	4,241	24,147	91,779	124,051	142,542	155,430	149,849	120,259	125,205	129,814
<b>Expenses:</b>																				
<b>Fortress</b>																				
Costs of Goods Sold (Journey Medical)	10,532	14,594	3,908	7,484	3,000	3,000	17,392	2,507	2,834	2,616	2,943	10,901	11,991	13,190	14,509	15,960	17,556	19,312	21,243	23,367
%COGS	29%	33%	20%	49%	20%	20%	33%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
<b>Research and Development (Consolidated)</b>	75,236	64,108	20,154	22,831	17,501	18,175	67,313	16,256	16,963	18,377	19,083	70,679	74,213	77,924	81,820	85,911	90,206	94,717	99,453	104,425
Fortress		2,780																		
Avenue		2,866																		
Checkpoint		11,735																		
Mustang		39,475																		
Other**		1,606																		
Research and Development- licenses acquired	6,090	1,820		11,003	3,120	3,240	12,000	3,680	3,840	4,160	4,320	16,000	16,800	17,640	18,522	19,448	20,421	21,442	22,514	23,639
<b>General and Administrative (Consolidated)</b>	55,590	61,166	17,542	19,382	14,350	11,116	62,389	15,909	16,546	14,637	16,546	63,637	64,910	66,208	67,532	68,883	70,261	71,666	73,099	74,561
Fortress		23,341																		
Avenue		2,347																		
Checkpoint		6,518																		
Journey Medical Corp. (SG&A)		25,659																		
Mustang		6,810																		
Other**		1,184																		
<b>Total Operating expenses</b>	147,448	142,146	41,604	60,700	37,971	35,530	159,095	38,353	40,183	39,789	42,892	161,217	167,914	174,962	182,383	190,202	198,444	207,136	216,308	225,993
<b>Total Operating expenses (Adjusted)</b>		69,164																		
<b>Operating Income (Loss)</b>	110,819	(96,546)	(30,017)	(42,857)	(7,670)	(5,230)	(85,774)	(11,675)	(441)	(13,151)	(10,960)	(36,227)	195,365	396,845	526,261	620,199	680,256	689,949	731,497	770,930
<b>Operating Income (Loss) adjusted</b>		(23,565)																		
Interest income (expense), net	2,559	2,687	227	146	734	762	2,821	681	711	770	800	2,962	3,110	3,266	3,429	3,601	3,781	3,970	4,168	4,377
Interest expense and financing fee	(11,849)	(12,441)	(2,189)	(2,760)	(3,397)	(3,527)	(13,064)	(3,155)	(3,292)	(3,566)	(3,704)	(13,717)	(14,403)	(15,123)	(15,879)	(16,673)	(17,506)	(18,382)	(19,301)	(20,266)
Change in PV of derivative liability		(1,147)		25,005			30,918													
Change in PV of subsidiary convertible note				(3,925)																
Change in PV of investments	(27)	533																		
Gain on deconsolidation of Caelum	18,476																			
<b>Total Other Income</b>	9,159	(10,369)	3,951	18,466	(2,663)	(2,765)	20,676	(2,473)	(2,581)	(2,796)	(2,904)	(10,754)	(11,292)	(11,857)	(12,449)	(13,072)	(13,726)	(14,412)	(15,132)	(15,889)
<b>Pretax Income (loss from continuing operations)</b>	(101,660)	(130,480)	(26,066)	(24,391)	(10,333)	(7,995)	(65,098)	(14,149)	(3,022)	(15,948)	(13,864)	(46,982)	184,073	346,489	436,740	497,844	533,224	533,674	551,601	566,281
Income Tax Benefit (Provision)														38,499	77,072	109,283	133,306	141,863	164,764	188,760
<b>Tax Rate</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	10%	15%	18%	20%	21%	23%	25%
<b>GAAP Net Income (Loss)</b>	(101,660)	(130,480)	(26,066)	(24,391)	(10,333)	(7,995)	(65,098)	(14,149)	(3,022)	(15,948)	(13,864)	(46,982)	184,073	346,489	436,740	497,844	533,224	533,674	551,601	566,281
<b>Adjusted (Non-GAAP) Loss</b>		(35,842)																		
Less: net loss attributable to non-controlling interests	61,700	55,264	17,244	20,856	15,087	15,667	58,027	12,946	13,509	14,834	15,197	56,286	52,909	49,735	46,751	43,948	41,309	38,830	36,500	34,310
<b>Net Income (loss) attributable to common stockholders</b>	(39,960)	(53,560)	(8,822)	(3,535)	4,754	7,672	69	(1,203)	10,487	(1,313)	1,333	9,305	236,982	396,224	483,491	541,789	574,533	572,504	588,102	600,591
<b>GAAP-EPS</b>	(0.73)	(0.76)	(0.11)	(0.04)	0.06	0.09	0.00	(0.01)	0.13	(0.02)	0.02	0.11	2.90	4.83	5.87	6.56	6.92	6.87	7.03	7.15
<b>GAAP-EPS (Dil)</b>	(0.60)	(0.76)	(0.11)	(0.04)	0.06	0.09	0.00	(0.01)	0.13	(0.02)	0.02	0.11	2.90	4.83	5.87	6.56	6.92	6.87	7.03	7.15
<b>Adjusted Non-GAAP EPS (DIL)</b>		(0.50)																		
Wtdl Avg Shrs (Bas) - '000s	54,711	71,077	80,852	80,963	81,044	81,125	80,996	81,206	81,287	81,369	81,450	81,328	81,654	81,981	82,309	82,639	82,970	83,303	83,636	83,971
Wtdl Avg Shrs (Dil) - '000s	65,502	71,077	80,852	80,963	81,044	81,125	80,996	81,206	81,287	81,369	81,450	81,328	81,654	81,981	82,309	82,639	82,970	83,303	83,636	83,971

**Risk Analysis**

In addition to the typical risks associated with development stage specialty pharmaceutical companies, potential risks specific to Fortress Biotech 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.** Fortress Biotech 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, working with Fortress and/or part of valuation discussion:

Alexion (ALXN/NASDAQ)-Not covered.

InvaGen Pharmaceuticals – (Private).

St. Jude Children’s Research Hospital (Private).

Mustang Bio (MBIO/NASDAQ) – Not covered.

Checkpoint Therapeutics (CKPT/NASDAQ) – Not covered.

Avenue Therapeutics (ATXI/ NASDAQ) – Not covered.

Caelum Biosciences (Private).

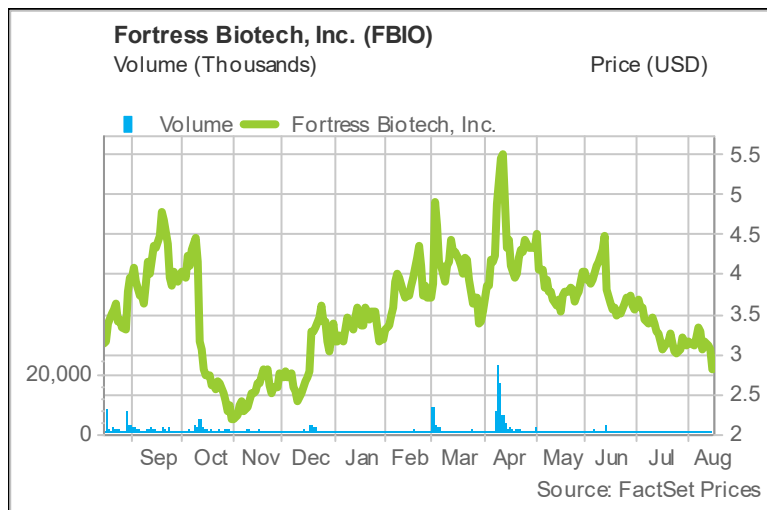
Journey Medical Corporation (internal Fortress company).

Cyprium Therapeutics (Private).

Fuji Yakuhin (subsidiary of Fuji-Japan – Not Covered)

## **Important Disclosures:**

### **Price Chart:**



#### **Price target and rating changes over the past three years:**

Initiated – Buy August 26, 2019, Price Target \$19.00  
 Update – Buy September 17, 2019, Price Target \$19.00  
 Update – Buy November 4, 2019, Price Target \$19.00  
 Update – Buy December 11, 2019, Price Target \$19.00  
 Update – Buy December 23, 2019, Price Target \$19.00  
 Update – Buy January 15, 2020, Price Target \$19.00  
 Update – Buy February 14, 2020, Price Target \$19.00  
 Update – Buy February 20, 2020, Price Target \$19.00  
 Update – Buy March 30, 2020, Price Target \$19.00  
 Update – Buy May 14, 2020, Price Target \$19.00  
 Update – Buy July 31, 2020, Price Target \$19.00  
 Update – Buy September 8, 2020, Price Target \$19.00  
 Price Target Change – Buy October 12, 2020, Price Target \$15.00  
 Update – Buy October 20, 2020, Price Target \$15.00  
 Price Target Change – Buy November 10, 2020, Price Target \$16.00  
 Update – Buy December 14, 2020, Price Target \$16.00  
 Update – Buy February 2, 2021, Price Target \$16.00  
 Price Target Change – Buy February 17, 2021, Price Target \$21.00  
 Price Target Change – Buy February 24, 2021, Price Target \$22.00  
 Price Target Change – Buy April 7, 2021, Price Target \$24.00  
 Update – Buy April 13, 2021, Price Target \$24.00  
 Update – Buy May 10, 2021, Price Target \$24.00  
 Update – Buy May 20, 2021, Price Target \$24.00  
 Update – Buy June 11, 2021, Price Target \$24.00  
 Update – Buy June 15, 2021, Price Target \$24.00  
 Update – Buy August 17, 2021, Price Target \$24.00

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**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.

As of: 3-Aug-21

	Company Coverage		Investment Banking	
<b>Ratings Distribution</b>	# of Companies	% of Total	# of Companies	% of Totals
Market Outperform (Buy)	25	71%	4	16%
Market Perform (Neutral)	10	29%	0	0%
Market Underperform (Sell)	0	0%	0	0%
Total	35	100%	4	11%

**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.