

Member FINRA/SIPC

Toll-Free: 866-928-0928 ♦ www.DawsonJames.com ♦ 101 North Federal Highway - Suite 600 ♦ Boca Raton, FL 33432

Adamis Pharmaceuticals (ADMP-NASDAQ) – Neutral Rated

May 19, 2022

Jason H. Kolbert

 Managing Director & Senior Analyst
 jkolbert@dawsonjames.com

DeCarlo is Out – Symjepi Could Return in 2Q22 but Is Adamis Going to Raise Capital?

David Marguglio assumes the CEO role. David was formerly the Chief Business Officer. The company reported the first quarter with \$1.2M in revenues mostly from the sale of ZIMHI in advance of its expected launch. Recall that a manufacturing hold was initiated on SYMJJEPI – so no revenue contributions from that product. Adamis lost \$7.9M in operations and closed the period with \$18M in cash. Can Marguglio turn things around? It's hard to say as a lot of damage has been done. We would like to better understand the company's cash needs. Is additional financing coming at this sub-one dollar level, before we become more positive on the stock?

Investment Highlights

Symjepi Manufacturing is Still on Hold. Adamis believes the issues have been identified and as such, we may see Symjepi return to the marketplace in 2Q22. Recall that in October 2020, US WorldMeds completed the transition of control of the commercial operations of SYMJJEPI from Sandoz, Inc. SYMJJEPI (once it returns to the market) should be available through Walgreens Prescription Savings Club. The products are offered at a discounted price of \$99.99 per two-pack, which the company believes is the lowest price for an epinephrine device in the U.S. Our work to model revenues was originally based on a very different set of assumptions.

ZIMI (Naloxone). The product is now being commercialized, which is good news given the over-dose crisis that the U.S. is seeing as a result of more and more illegal drugs being laced with fentanyl, requiring ever higher doses of reversing agents to save poisoned users.

Valuation: In August 2020, we lowered our rating on Adamis to Neutral as the stock had reached our target valuation, and we subsequently removed our price target. Our product models project peak Naloxone sales reaching \$166M (2030E) and SYMJJEPI revenues of \$50M (2030E). We have eliminated the compounding pharmacy revenues. We have adjusted our projected share count to reflect the recent raise.

Risks: Reverse stock split and additional shares authorized and future capital raises. Partnership risks, Commercialization risks, financial risks, Clinical and regulatory risks, and Legal and intellectual property risk.

PRODUCT	DELIVERY	POTENTIAL INDICATION	PHASE I	PHASE II	PHASE III	NDA	APPROVED
SYMJEPI [®] (epinephrine) Injection 0.1mg	Injectable	Anaphylaxis	✓	✓	✓	✓	NA
SYMJEPI [®] (epinephrine) Injection 0.15mg	Injectable	Anaphylaxis	✓	✓	✓	✓	NA
ZIMI [®] (naloxone) Injection 1mg	Injectable	Opioid Overdose	✓	✓	✓	✓	US
APC-413 (dempip) Topical Gel	Topical	Naloxone Derivatives	✓	✓	✓	✓	US
APC-400 (dempip) Oral Capsule	Oral	Respiratory Disease / Anti-Inflammatory	✓	✓	✓	✓	US

(1) Licensed U.S. commercial rights to US WorldMeds (USIM)
 (2) New Drug Application ("NDA") under FDA review; November 2021 action date
 (3) Phase I completed, Phase II ready
 (4) Phase II/III trial activities commenced, expect to begin patient enrollment Q3 2021

Source: Adamis

Stock Data			
52-Week Range	\$0.31	-	\$1.48
Shares Outstanding (mil.)	149.7		
Market Capitalization (mil.)	\$64		
Enterprise Value (mil.)	\$57		
Debt to Capital	4%		
Book Value/Share	\$1.18		
Price/Book	0.4		
Average Three Months Trading Volume (K)	503		
Insider Ownership	1.0%		
Institutional Ownership	8.6%		
Short interest (mil.)	4.9%		
Dividend / Yield	\$0.00/0.0%		

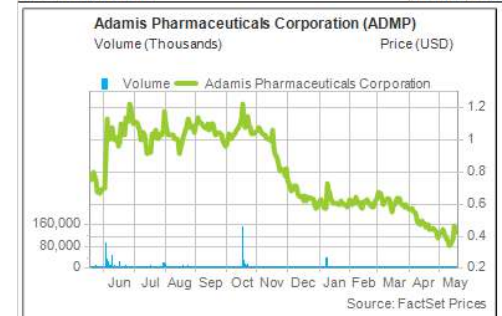


Exhibit 1. Income Statement

Adamis Pharmaceuticals Corporation: Income Statement (\$000)																	
ADMP: YE December	2018A	2019A	2020A	2021A	1Q22A	2Q22E	3Q22E	4Q22E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Symjepi Gross revenues (not included in total product sales)*		670	800			2,000	5,000	6,000	13,000	18,941	24,905	31,130	34,730	38,477	42,376	46,432	50,650
Naloxone Gross revenues (not included in total product sales)*			0	0		1,270	1,376	1,428	5,291	26,991	82,813	113,199	122,158	131,868	142,431	153,964	166,598
APC-1000 HFA Inhaled Oral Steroid (maintenance therapy)			0	0					0	0	0	0	0	0	0	0	0
APC-4000 Fluticasone - Taper Dry Powder Inhaler (DPI)			-	-					-	-	-	-	-	-	-	-	-
APC-8000 Tadalafil (Erectile Dysfunction)			-	-					-	-	-	-	-	-	-	-	-
Pharmaceutical Compounding business	15,087	22,113	16,527						-	-	-	-	-	-	-	-	-
Total Product Sales *	15,087	22,783	16,527	-	-	3,270	6,376	7,428	18,291	45,933	107,718	144,329	156,888	170,344	184,807	200,396	217,248
Royalty Revenue on Symjepi & Naloxone*	-	335	200	2,209	1,155	1,635	3,188	3,714	9,691	22,966	53,859	72,164	78,444	85,172	92,403	100,198	108,624
% Royalty (slides on Commercial levels)		50%	25%		50%	50%	50%	50%	53%	50%	50%	50%	50%	50%	50%	50%	50%
Symjepi / Naloxone Milestones	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Product Sales & Royalties & Milestones	15,087	22,448	17,127	8,880	1,155	1,635	3,188	3,714	9,691	22,966	53,859	72,164	78,444	85,172	92,403	100,198	108,624
Expenses																	
Cost of Goods Sold	9,798	15,479	14,894	6,872	1,463	100	250	300	2,113	947	1,245	1,556	1,736	1,924	2,119	2,322	2,533
%COGS	65%	68%	90%			3%	4%	4%	12%	2%	1%	1%	1%	1%	1%	1%	1%
Research and Development + Impairment	18,804	10,376	8,281	11,262	4,222	2,838	3,075	3,193	11,825	12,417	13,038	13,689	13,826	13,965	14,104	14,245	14,388
%R&D	125%	46%	50%			87%	48%	43%	65%	27%	12%	9%	9%	8%	8%	7%	7%
General and Administrative	25,948	25,288	30,581	16,144	3,383	3,913	4,239	4,402	16,305	16,468	16,633	16,799	16,967	17,137	17,308	17,481	17,656
%SG&A	48%	49%	61%	47%	37%	57%	56%	56%	54%	55%	54%	52%	52%	52%	52%	51%	51%
Total expenses	54,550	51,142	49,778	34,278	9,067	6,851	7,564	7,895	30,244	29,832	30,916	32,045	32,530	33,025	33,531	34,048	34,576
Operating income (Loss)	(39,464)	(29,351)	(32,651)	(32,069)	(7,913)	(5,216)	(4,376)	(4,181)	(21,686)	(6,866)	22,944	40,119	45,914	52,147	58,872	66,150	74,048
Interest expense	(158)	(123)	(160)	(7)	4												
Interest Income	245	176	84	7	(440)												
Gain/Loss on extinguishment of debt			(322)	5,010	(1,850)												
Change in fair value of derivative liabilities				(7,540)	9												
Change in fair value of conversion feature liability			465														
Change in fair value of warrants																	
Impairment Expense																	
Total other income	-	(322)	465	(2,531)	(1,841)	-	-	-	-	-	-	-	-	-	-	-	-
Pretax Income	(39,376)	(29,298)	(49,389)	(34,600)	(10,189)	(5,216)	(4,376)	(4,181)	(21,686)	(6,866)	22,944	40,119	45,914	52,147	58,872	66,150	74,048
Discontinued operations																	
Write down of discontinued operations receivable																	
Loss from continued operations				(11,294)													
Income Tax Benefit (Provision)	369	(9)	(2)	67	(165)	-	-	-	(165)	(1,236)	4,589	9,629	11,019	12,515	16,484	19,845	25,176
Tax Rate	0%	0%	0%	0%	0%	0%	0%	0%	1%	18%	20%	24%	24%	24%	28%	30%	34%
GAAP Net Income (loss)	(39,007)	(29,307)	(49,391)	(45,828)	(10,354)	(5,216)	(4,376)	(4,181)	(21,521)	(5,630)	18,355	30,491	34,895	39,632	42,388	46,305	48,872
Deemed Dividend on Preferred Stock																	
GAAP-EPS	(1.00)	(0.57)	(0.64)	(0.32)	(0.07)	(0.03)	(0.03)	(0.03)	(0.14)	(0.04)	0.12	0.20	0.23	0.26	0.28	0.30	0.32
GAAP EPS (dil)	(1.00)	(0.57)	(0.59)	(0.32)	(0.07)	(0.03)	(0.03)	(0.03)	(0.14)	(0.04)	0.11	0.18	0.20	0.22	0.23	0.25	0.25
Wgtd Avg Shrs (Bas) - '000s	39,085	53,263	77,570	144,157	149,617	149,767	149,916	150,066	149,842	150,442	151,045	151,650	152,257	152,867	153,479	154,094	154,712
Wgtd Avg Shrs (Dil) - '000s	39,085	53,304	83,462	144,157	149,617	151,113	152,624	154,151	151,876	156,478	161,220	166,105	171,138	176,324	181,666	187,171	192,843

Source: Company Reports and Dawson James

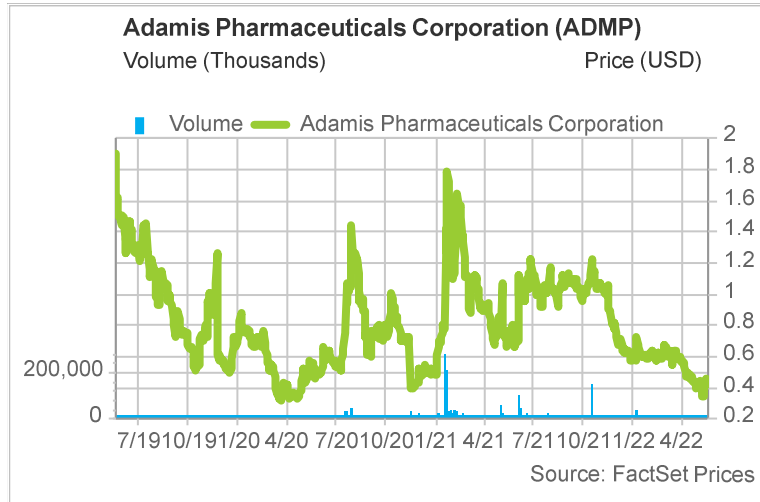
* Revenues are shown but only royalties are counted.

Companies mentioned in this report:

US WorldMeds (private)

Important Disclosures:

Price Chart:



Price target and ratings changes over the past three years:

- Initiated – Buy – July 2, 2019 – Price Target \$5.00
- Update – Buy – August 13, 2019 – Price Target \$4.00
- Update – Buy – August 28, 2019 – Price Target \$4.00
- Update – Buy – November 26, 2019 – Price Target lowered from \$4.00 to \$1.00
- Rating Change – Neutral – February 27, 2020 – Rating Lowered from Buy to Neutral
- Update – Neutral – April 1, 2020 – Price Target NA
- Update – Neutral – May 21, 2020 – Price Target NA
- Rating Change – Buy – June 15, 2020 – Price Target \$1.00
- Rating Change – Neutral – August 24, 2020 – Price Target \$1.00
- Update – Neutral – November 11, 2020 – Price Target NA
- Update – Neutral – November 17, 2020 – Price Target NA
- Update – Neutral – February 5, 2021 – Price Target NA
- Update – Neutral – April 16, 2021 – Price Target NA
- Update – Neutral – December 3, 2021 – Price Target NA
- Update – Neutral – February 8, 2022 – Price Target NA
- Update – Neutral – March 22, 2022 – Price Target NA
- Update – Neutral – May 19, 2022 – Price Target NA

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 ADMP 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 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 May 16, 2022, 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.

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.

Ratings 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.

Current as of 16-May-22

	Company Coverage		Investment Banking	
Ratings Distribution	# of Companies	% of Total	# of Companies	% of Totals
Market Outperform (Buy)	31	72%	4	13%
Market Perform (Neutral)	12	28%	0	0%
Market Underperform (Sell)	0	0%	0	0%
Total	43	100%	4	9%

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.