

INSTITUTIONAL RESEARCH Biotechnology UPDATE REPORT

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Fortress Biotech (NASDAQ/FBIO)

BUY: The Journey to Revenues

Journey Medical Corp. (DERM-Not Rated) is a fortress company focused in the dermatology space. The company reported 2^{nd} Quarter revenues of \$17M up sequentially from \$12M in 1st Quarter. Journey reported positive results from two pivotal trials for DF-29 (low dose 40mg, oral minocycline for papulopustular rosacea). The NDA is expected to be filed in 2H23.

Investment Highlights

DF-29: Is the Clinical data Good? The two Phase 3 trials achieved their coprimary and all secondary endpoints, and DFD-29 demonstrated statistical superiority over both placebo and the current standard of care, Oracea 40 mg. These results demonstrate the potential for DFD-29, if approved, to be the bestin-class systemic therapy in the treatment of rosacea. DFD-29 has the potential to address the large unmet need for safe and efficacious therapies that address the inflammatory lesions and the redness of rosacea.

Summary Topline Results from MVOR-1 and MVOR-2

	MV	OR-1	MVOR-2			
	IGA Success at Week 16	Inflammatory Lesion Change at Week 16	IGA Success at Week 16	Inflammatory Lesion Change at Week 16		
DFD-29 (40 mg)	65.0%	-21.3	60.1%	-18.4		
Oracea (40 mg)	46.1%	-15.9	31.4%	-14.9		
Placebo	31.2%	-12.2	26.8%	-11.1		
P-value: DFD-29 versus Oracea	P=0.014	P<0.001	P<0.001	P<0.001		
P-value: DFD-29 versus Placebo	P<0.001	P<0.001	P<0.001	P<0.001		

Valuation: How to value Fortress? Fortress is a complex group of companies. Suffice to say; we model the contributions and Fortress holdings in many companies. Our valuation is based on an out-year 2030 share count. 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.

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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.



Exhibit 1. Income Statement

	00404	00004	00044	00004	10001	00005	00005	10005	00005	00045	00055	00005	00075	00005	00005	00005
Probability Revenue Forecast: ('000)	2019A	2020A	2021A	2022A	1Q23A	2Q23E	3Q23E	4Q23E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Avenue Therapeutics: IV Tramadol end use sales			s -	s -	s -	s - s		s -	s -	s -	s -	s -	s -	s -	s -	s -
Percent Owned by Fortress	32%	32%	32%	32%	32%	32%	32%	32%	. 32%	. 32%	. 32%	. 32%	32%	32%	32%	32%
Revenues Attributed back to Fortress			r - 1	-	-				-	-	-	-	-	-	-	-
Mustang Bio - Bubble Boy (MB-107)						\$-\$			\$-	\$ 73,125	\$ 101,250	\$ 150,938	\$ 268,125	\$ 255,938	\$ 230,625	\$ 195,000
Percent Owned by Fortress	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30% 30.375	30% 45.281	30% 80.438	30% 76,781	30% 69.188	30% 58,500
Revenues Attributed back to Fortress Cyprium -CUTX-101 - Menkes Disease	0	0	-			s - s	1	-	-	21,938	\$ 22,500	45,281 \$ 67,500	\$ 112,500	\$ 112,500	\$ 112,500	\$ 112,500
Percent Owned by Fortress	89%	89%	3 - 89%	89%	89%	s - 3 89%	89%	89%	> - 89%	> - 89%	\$ 22,500	\$ 67,500	\$ 112,500	\$ 112,500	\$ 112,500 89%	\$ 112,500 89%
Revenues Attributed back to Fortress	1	1	1	0070	-	-	-	-	-	-	20.025	60.075	100.125	100.125	100.125	100.125
CheckPoint (Cosibelimab PD-L1)				s -	s -	s - s		s -	s -	s -	\$ 94,112	\$ 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%
Revenues Attributed back to Fortress		-	-	-	-				-	-	30,116	90,347	120,463	150,579	180,695	210,811
CK-101 end use sales						\$-\$			\$ -	\$ -	\$ 271,206	\$ 542,413		\$ 867,861	\$ 922,102	\$ 976,343
Percent Owned by Fortress	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	32% 277.715	32%	32%
Revenues Attributed back to Fortress Journey Medical Corporation (Dermatology)	34,921	44,531	63,134	65,246	11,089	18,660	17,225	24,797	71,771	78.948	86,786 86,842	173,572 95,527	260,358 105,079	115,587	295,073 127,146	312,430 139,861
Percent Owned by Fortress	100%	100%	100%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%
Revenues Attributed back to Fortress	34,921	44,531	63,134	30,666	5,212	8,770	8,096	11,654	33,732	37,105	40,816	44,898	49,387	54,326	59,759	65,734
Other Revenue Back to Fortress	1,708	1,068	5,656	4,254	1,076	1,123	1,170	1,310	4,679	5,147	5,662	6,228	6,851	7,536	8,290	9,119
Fortress Revenues	36,629	45,599	68,791	70,995	12,165	9,893	9,266	12,965	44,289	64,190	213,780	420,402	617,622	667,063	713,128	756,719
													1			
Avenue Therapeutic (IV Tramadol) Royalties (4.5% on sales > \$325M)																
Associate Milestones			\$-													
									-		-					
Mustang Bio - Bubble Boy (MB-107) Prob. Adj. Royalties - 4.5%				\$-	\$ -	5 - 5	-	- i	\$-	\$ 3,290.63	\$ 4,556	\$ 6,792	\$ 12,066	\$ 11,517	\$ 10,378	\$ 8,775
Associate Milestones													1			
Cyprium - CUTX-101 Menke's Disease - Prob. Adj. Royalties - 4.5%				s .	\$.	s . «			s -	s .	\$ 5,625	\$ 16,875	\$ 28,125	\$ 28,125	\$ 28,125	\$ 28,125
Associate Milestones				-	÷ .	- 4			- ·	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
										•	• •••••	•	•	• •••••	•	•
CheckPoint (Cosibelmab PD-L1) - Prob. Adj. Royalties - 4.5%				\$ -	\$ -	\$-\$		s -	\$-	\$-	\$ -	\$-	\$ 4,235	\$ 12,705	\$ 16,940	\$ 21,175
Associate Milestones																
										-						
CheckPoint (CK-101 - TKI) - Prob. Adj. Royalties -25% Associate Milestones			\$ 2,400		s -	\$-\$	-	-	\$-	\$ - \$ 50,000	\$ 12,204 \$ 50,000	\$ 24,409 \$ 50,000	\$ 36,613 \$ 35,000	\$ 39,054	\$ 41,495	\$ 43,935
Total Royalties & Milestones			\$ 2,400 72,666	4740	40.400	ə - 3	-	-	12,429	\$ 50,000 63,291	\$ 30,000			-	400.000	110.011
	-		72,666	4,748	12,429	-	-	-	12,429	63,291	82,386	108,076	126,039	101,401	106,938	112,011
Expenses: Fortress																
Costs of Goods Sold (Journey Medical)	10,532	14,594	32,084	30,775	6,449			_	6,449		-	· .	· .	· .		
%COGS	29%	33%	51%	47%	0,449	- 0%	- 0%	- 0%	9%	0%	- 0%	- 0%	0%	- 0%	- 0%	0%
Research and Development (Consolidated)	75,236	64,108	113,240	134,199	35,276	33,818	36,636	38,045	140,909	147,954	155,352	163,120	171,276	179,839	188,831	198,273
Fortress		2,780	-													
Avenue		2,866											1			
Checkpoint		11,735											1			
Mustang Journey		39,475											1			
Other**		1,606														
Research and Development- licenses acquired	6,090	1,820	15,625	677	4,230	171	185	192	711	746	784	823	864	907	953	1,000
General and Administrative (Consolidated)	55,590	61,166	86,843	113,656	25,341	30,142	26,664	33,783	115,929	118,248	120,613	123,025	125,485	127,995	130,555	133,166
Fortress		23,341														
Avenue		2347											1			
Checkpoint		6518														
Journey Medical Corp. (SG&A) Mustang		25,659 6810														
Journey		0180											1			
Other**		1,184	9540													
Total Operating expenses	147,448	142,146	257,332	279,307	71,296	64,130	63,485	72,020	263,998	266,948	276,748	286,968	297,625	308,742	320,339	332,439
Total Operating expenses (Adjusted)		69,164														
													1			
Operating Income (Loss)	110,819	(96,546)	(188,541)	(203,564)	(58,867)	(54,237)	(54,219)	(59,056)	(226,379)	(139,468)	19,417	241,510	446,036	459,722	499,727	536,290
operating income (Loss)	110,019	(30,540)					-	-	- 1	- 1	-	-	- 1	-	-	-
Operating Income (Loss) adjusted	-	(23,565)	-	-	-						1,618				1.967	
	2,559		- 649	- 1,398	- 1,036	352	382	396	1,468	1,541	1,010	1,699	1,784	1,873		2,065
Operating Income (Loss) adjusted Interest income (expense), net Interest expense and financing fee	-	(23,565)	(15,308)	- 1,398 (13,642)	(4,296)	352 (3,438)	382 (3,724)	396 (3,868)	1,468 (14,324)	1,541 (15,040)	(15,792)	1,699 (16,582)	1,784 (17,411)	1,873 (18,282)	(19,196)	(20,155)
Operating Income (Loss) adjusted Interest income (expense), net Interest expense and financing fee Change in FV of derivative liability	- 2,559	(23,565) 2,687	(15,308) 39,294		(4,296) (47)											
Operating Income (Loss) adjusted Interest income (expense), net Interest expense and financing fee Change in FV of derivative liability Change in FV of subsidiary convertible note	- 2,559 (11,849)	(23,565) 2,687 (12,441) (1,147)	(15,308)		(4,296) (47) 6,678											
Operating Income (Loss) adjusted Interest income (expense), net Interest expense and financing fee Change in FV of derivative liability Change in FV of subsidiary convertible note Change in FV of investments	- 2,559 (11,849) (27)	(23,565) 2,687 (12,441)	(15,308) 39,294		(4,296) (47)											
Operating Income (Loss) adjusted Interest income (expense), net Interest expense and financing fee Change in FV of derivative liability Change in FV of subsidiary convertible note Change in FV of investments Gain on deconsolidation of Caelum	- 2,559 (11,849) (27) 18,476	(23,565) 2,687 (12,441) (1,147) 533	(15,308) 39,294 (447)	(13,642)	(4,296) (47) 6,678 351	(3,438)	(3,724)	(3,868)	(14,324)	(15,040)	(15,792)	(16,582)	(17,411)	(18,282)	(19,196)	(20,155)
Operating Income (Loss) adjusted Interest income (expense), net Interest expense and financing fee Change in FV of derivative liability Change in FV of subsidiary convertible note Change in FV of investments Gain on deconsolidation of Caelum Total Other Income	- 2,559 (11,849) (27) 18,476 9,159	(23,565) 2,687 (12,441) (1,147) 533 (10,369)	(15,308) 39,294 (447) 24,188	(13,642)	(4,296) (47) 6,678 351 3,722			(3,868) (3,471)		(15,040) (13,499)	(15,792)	(16,582) (14,883)	(17,411)	(18,282) (16,408)	(19,196)	(20,155) (18,090)
Operating Income (Loss) adjusted Interest income (expense), net Interest expense and financing fee Change in FV of derivative liability Change in FV of subsidiary convertible note Change in FV of investments Gain on deconsolidation of Caelum	- 2,559 (11,849) (27) 18,476	(23,565) 2,687 (12,441) (1,147) 533	(15,308) 39,294 (447)	(13,642)	(4,296) (47) 6,678 351	(3,438)	(3,724)	(3,868)	(14,324)	(15,040) (13,499) (152,967)	(15,792)	(16,582)	(17,411)	(18,282)	(19,196)	(20,155) (18,090) 518,200
Operating Income (Loss) adjusted Interest income (expense), net Interest expense and financing fee Change in FV of derivative liability Change in FV of subsidiary convertible note Change in FV of subsidiary convertible note Gain on deconsolidation of Caelum Total Other Income Pretax Income (loss from continuing operations)	- 2,559 (11,849) (27) 18,476 9,159	(23,565) 2,687 (12,441) (1,147) 533 (10,369)	(15,308) 39,294 (447) 24,188 (164,353)	(13,642) (9,900) (213,464)	(4,296) (47) 6,678 351 3,722	(3,438)	(3,724)	(3,868) (3,471)	(14,324)	(15,040) (13,499)	(15,792) (14,174) 5,243	(16,582) (14,883) 226,627	(17,411) (15,627) 430,409	(18,282) (16,408) 443,314	(19,196) (17,229) 482,499	(20,155) (18,090)
Operating Income (Loss) adjusted Interest income (expense), net Interest expense and financing fee Change in FV of deviative liability Change in FV of subsidiary convertible note Change in FV of investments Gain on deconsolidation of Caelum Total Other Income Pretax Income (toss from continuing operations) Income Tax Benefit (Provision) Tax Rate	- 2,559 (11,849) (27) 18,476 9,159 (101.660) 0%	(23,565) 2,687 (12,441) (1,147) 533 (10,369) (130,480) 0%	(15,308) 39,294 (447) 24,188 (164,353) (447) 0%	(13,642) (9,900) (213,464) 449 0%	(4,296) (47) 6,678 351 3,722 (55,145)	(3,438) (3,085) (57,322) - 0%	(3,724) (3,343) (57,562) - 0%	(3,868) (3,471) (62,527) - 0%	(14,324) (12,856) (239,235) - 0%	(15,040) (13,499) (152,967) (15,297) 10%	(15,792) (14,174) 5,243 786 15%	(16,582) (14,883) 226,627 40,793 18%	(17,411) (15,627) 430,409 86,082 20%	(18,282) (16,408) 443,314 93,096 21%	(19,196) (17,229) 482,499 110,975 23%	(20,155) (18,090) 518,200 129,550 25%
Operating Income (Loss) adjusted Interest income (expense), net Interest expense and financing fee Change in FV of deviative liability Change in FV of subsidiary convertible note Change in FV of investments Gain on deconsolidation of Caelum Total Other Income Pretax Income (loss from continuing operations) Income Tax Benefit (Provision) Tax Rate GAAP Net Income (Loss)	- 2,559 (11,849) (27) 18,476 9,159 (101,660)	(23,565) 2,687 (12,441) (1,147) 533 (10,369) (130,480) 0% (130,480)	(15,308) 39,294 (447) 24,188 (164,353)	(13,642) (9,900) (213,464) 449	(4,296) (47) 6,678 351 3,722 (55,145)	(3,438) (3,085) (57,322)	(3,724) (3,343) (57,562)	(3,868) (3,471) (62,527)	(14,324) (12,856) (239,235)	(15,040) (13,499) (152,967) (15,297)	(15,792) (14,174) 5,243 786	(16,582) (14,883) 226,627 40,793	(17,411) (15,627) 430,409 86,082	(18,282) (16,408) 443,314 93,096	(19,196) (17,229) 482,499 110,975	(20,155) (18,090) 518,200 129,550
Operating Income (Loss) adjusted Interest income (expense), net Interest expense and financing fee Change in FV of subsidiary convertible note Change in FV of subsidiary convertible note Change in FV of subsidiary convertible note Change in FV of investments Gain on deconsolidation of Caelum Total Other Income Prelax Income (Loss from continuing operations) Income Tax Benefit (Provision) Tax Rate GAAP Net Income (Loss) Addjusted (Non-GAAP) Loss	- 2,559 (11,849) (27) 18,476 9,159 (101,660)	(23,565) 2,687 (12,441) (1,147) 533 (10,369) (130,480) (35,842)	(15,308) 39,294 (447) 24,188 (164,353) (447) 0% (164,826)	(13,642) (9,900) (213,464) 449 0% (213,913)	(4,296) (47) 6,678 351 3,722 (55,145) - 0% (55,145)	(3,438) (3,085) (57,322) - 0% (57,322)	(3,724) (3,343) (57,562) (57,562)	(3,868) (3,471) (62,527) - 0% (62,527)	(14,324) (12,856) (239,235) - 0% (239,235)	(13,499) (152,967) (152,297) 10% (137,670)	(15,792) (14,174) 5,243 786 15% 4,457	(16,582) (14,883) 226,627 40,793 18% 185,834	(17,411) (15,627) 430,409 86,082 20% 344,327	(18,282) (16,408) 443,314 93,096 21% 350,218	(19,196) (17,229) 482,499 110,975 23% 371,524	(20,155) (18,090) 518,200 129,550 25% 388,650
Operating Income (Loss) adjusted Interest income (expense), net Interest expense and financing fee Change in FV of subsidiary convertible note Change in FV of subsidiary convertible note Change in FV of investments Gain on deconsolidation of Caelum Total Other Income Pretax Income (loss from continuing operations) Income Tax Benefit (Provision) Tax Rate GAAP Net Income (Loss) Addjusted (Non-GAAP) Loss Less: net loss attributable to non-controlling interests	- 2,559 (11,849) (27) 18,476 9,159 (101,660) 0% (101,660) 61,700	(23,565) 2,687 (12,441) (1,147) 533 (10,369) (130,480) 0% (130,480) (35,842) 55,264	(15,308) 39,294 (447) 24,188 (164,353) (447) 0% (164,326) 100,123	(13,642) (9,900) (213,464) 449 0% (213,913) 127,338	(4,296) (47) 6,678 351 3,722 (55,145) - 0% (55,145) 33,608	(3,438) (3,085) (57,322) - 0% (57,322) 28,727	(3,724) (3,343) (57,562) - - 0% (57,562) 31,121	(3,868) (3,471) (62,527) - - - - - - - - - - - - - - - - - - -	(14,324) (12,856) (239,235) 	(15,040) (13,499) (152,967) (15,297) 10% (137,670) 112,516	(15,792) (14,174) 5,243 786 15% 4,457 105,765	(16,582) (14,883) 226,627 40,793 18% 185,834 99,419	(17,411) (15,627) 430,409 86,082 20% 344,327 93,454	(18,282) (16,408) 443,314 93,096 21% 350,218 87,847	(19,196) (17,229) 482,499 110,975 23% 371,524 82,576	(20,155) (18,090) 518,200 129,550 25% 388,650 77,621
Operating Income (Loss) adjusted Interest income (expense), net Interest expense and financing fee Change in FV of subsidiary convertible note Change in FV of subsidiary convertible note Change in FV of subsidiary convertible note Change in FV of investments Gain on deconsolidation of Caelum Total Other Income Profask Income (Loss) Income Tax Benefit (Provision) Tax Rate CAAP Net Income (Loss) Addiusted (Non-GAAP) Loss Less: net loss attributable to non-controlling interests Net Income (loss) attributable to common stockholders	- 2,559 (11,849) (27) 18,476 9,159 (101,660) 0% (101,660) 61,700 (39,960)	(23,565) 2,687 (12,441) (1,147) 533 (10,369) (130,480) 0% (130,480) (35,842) 55,264 (53,560)	(15,308) 39,294 (447) 24,188 (164,353) (447) 0% (164,826) 100,123 (64,703)	(13,642) (9,900) (213,464) 449 0% (213,913) 127,338 (86,575)	(4,296) (47) 6,678 351 3,722 (55,145) - 0% (55,145) 33,608 (21,537)	(3,438) (3,085) (57,322) - - - - - - - - - - - - - - - - - -	(3,724) (3,343) (57,562) (57,562) (57,562) 31,121 (26,440)	(3,868) (3,471) (62,527) - 0% (62,527) 32,318 (30,208)	(14,324) (12,856) (239,235) (239,235) (239,235) 119,698 (106,781)	(15,040) (13,499) (152,967) (15,297) 10% (137,670) 112,516 (25,154)	(15,792) (14,174) 5,243 786 15% 4,457 105,765 110,221	(16,582) (14,883) 226,627 40,793 18% 185,834 99,419 285,253	(17,411) (15,627) 430,409 86,082 20% 344,327 93,454 437,781	(18,282) (16,408) 443,314 93,096 21% 350,218 87,847 438,065	(19,196) (17,229) 482,499 110,975 23% 371,524 82,576 454,100	(20,155) (18,090) 518,200 129,550 25% 388,650 77,621 466,271
Operating Income (Loss) adjusted Interest income (expense), net Interest expenses and financing fee Change in FV of derivative liability Change in FV of subsidiary convertible note Change in FV of subsidiary convertible note Change in FV of subsidiary Gain on deconsolidation of Caelum Total Other Income Pretax Income (loss form continuing operations) Income Tax Benefit (Provision) Tax Rate GAAP Net Income (Loss) Addjusted (Non-GAAP) Loss Less: net loss attributable to common stockholders GAAP-EPS	2,559 (11,849) (27) 18,476 9,159 (101,660) 0% (101,660) 61,700 (39,960) (0.73)	(23,565) 2,687 (12,441) (1,147) 533 (10,369) (130,480) (35,842) 55,264 (53,560) (0.76)	(15,308) 39,294 (447) 24,188 (164,353) (447) 0% (164,826) 100,123 (64,703) (0.79)	(13,642) (9,900) (213,464) 449 0% (213,913) 127,338 (86,575) (0,97)	(4,296) (47) 6,678 351 3,722 (55,145) - 0% (55,145) 33,608 (21,537) (0,21)	(3,438) (3,085) (57,322) - 0% (57,322) 28,727 (28,595) (0.28)	(3,724) (3,343) (57,562) (57,562) (57,562) (57,562) (31,121 (26,440) (0.26)	(3,868) (3,471) (62,527) 	(14,324) (12,856) (239,235) (239,235) (239,235) 119,698 (106,781) (1.05)	(15,040) (15,297) (15,297) (15,297) (137,670) (137,670) (125,154) (0,25)	(15,792) (14,174) 5,243 786 15% 4,457 105,765 110,221 1.07	(16,582) (14,883) 226,627 40,793 18% 185,834 99,419 285,253 2,76	(17,411) (15,627) 430,409 86,082 20% 344,327 93,454 437,781 4.22	(18,282) (16,408) 443,314 93,096 21% 350,218 87,847 438,065 4,21	(19,196) (17,229) 482,499 110,975 23% 371,524 82,576 454,100 4.34	(20,155) (18,090) 518,200 129,550 25% 388,650 77,621
Operating Income (Loss) adjusted Interest income (expense), net Interest expense and financing fee Change in FV of subsidiary convertible note Change in FV of subsidiary convertible note Change in FV of investments Gain on deconsolidation of Caelum Total Other Income Pretax Income (loss from continuing operations) Income Tax Benefit (Provision) Tax Rate GAAP Net Income (Loss) Addjusted (Non-GAAP) Loss Less: net loss attributable to non-controlling interests Net Income (loss) attributable to common stockholders GAAP-EFS GAAP-EFS (Dil)	- 2,559 (11,849) (27) 18,476 9,159 (101,660) (0,660) (0,73) (0,60)	(23,565) 2,687 (12,441) (1,147) 533 (10,369) (130,480) 0% (130,480) (35,842) 55,264 (53,560)	(15,308) 39,294 (447) 24,188 (164,353) (447) 0% (164,826) 100,123 (64,703)	(13,642) (9,900) (213,464) 449 0% (213,913) 127,338 (86,575)	(4,296) (47) 6,678 351 3,722 (55,145) - 0% (55,145) 33,608 (21,537)	(3,438) (3,085) (57,322) - - - - - - - - - - - - - - - - - -	(3,724) (3,343) (57,562) (57,562) (57,562) 31,121 (26,440)	(3,868) (3,471) (62,527) - 0% (62,527) 32,318 (30,208)	(14,324) (12,856) (239,235) (239,235) (239,235) 119,698 (106,781)	(15,040) (13,499) (152,967) (15,297) 10% (137,670) 112,516 (25,154)	(15,792) (14,174) 5,243 786 15% 4,457 105,765 110,221	(16,582) (14,883) 226,627 40,793 18% 185,834 99,419 285,253	(17,411) (15,627) 430,409 86,082 20% 344,327 93,454 437,781	(18,282) (16,408) 443,314 93,096 21% 350,218 87,847 438,065	(19,196) (17,229) 482,499 110,975 23% 371,524 82,576 454,100	(20,155) (18,090) 518,200 129,550 25% 388,650 77,621 466,271 4.44
Operating Income (Loss) adjusted Interest income (expense), net Interest expense and financing fee Change in FV of derivative liability Change in FV of subsidiary convertible note Change in FV of subsidiary convertible note Change in FV of investments Gain on deconsolidation of Caelum Total Other Income Pretax Income (loss from continuing operations) Income Tax Benefit (Provision) Tax Rate GAAP Net Income (Loss) Addjusted (Non-GAAP) Loss Less: net Ioss attributable to comon stockholders GAAP-FPS GAAP-FPS (Dil) Adjusted Non-GAAP EPS (DIL) Wigtd Avg Shrs (Bas) - '000s	- 2,559 (11,849) (27) 18,476 9,159 (101,660) 0% (101,660) (0,73) (0,60) 54,711	(23,565) 2,687 (12,441) (1,147) 533 (10,369) (130,480) (35,842) 55,264 (53,560) (0,76) (0,76)	(15,308) 39,294 (447) 24,188 (164,353) (447) 0% (164,826) 100,123 (64,703) (0.79)	(13,642) (9,900) (213,464) 449 0% (213,913) 127,338 (86,575) (0,97) (0,97) 88,875	(4,296) (47) 6,678 351 3,722 (55,145) - - 0% (55,145) 33,608 (21,537) (0,21) (0,21) 101,886	(3,438) (3,085) (57,322) - 0% (57,322) 28,727 (28,595) (0.28)	(3,724) (3,343) (57,562) (57,562) (57,562) (31,121 (26,440) (0.26) (0.26) 102,090	(3,868) (3,471) (62,527) (62,527) (62,527) 32,318 (30,208) (0,30) (0,30) 102,192	(14,324) (12,856) (239,235) (239,235) (106,781) (1.05) (1.05) (1.05) (1.05)	(15,040) (13,499) (152,967) (15,297) 10% (137,670) 112,516 (25,154) (0,25) (0,25) 102,447	(15,792) (14,174) 5,243 786 15% 4,457 105,765 110,221 1.07 1.07 1.07	(16,582) (14,883) 226,627 40,793 18% 185,834 99,419 285,253 2,76 2,76 2,76 103,270	(17,411) (15,627) 430,409 86,082 20% 344,327 93,454 437,781 4,22 4,22 4,22 103,683	(18,282) (16,408) 443,314 93,096 21% 350,218 87,847 438,065 4,21 4,21 4,21	(19,196) (17,229) 482,499 110,975 23% 371,524 82,576 454,100 4,34 4,34 104,516	(20,155) (18,090) 518,200 129,550 25% 388,650 77,621 466,271 4.44 4.44 104,935
Operating Income (Loss) adjusted Interest income (expense), net Interest expense and financing fee Change in FV of derivative liability Change in FV of subsidiary convertible note Change in FV of subsidiary convertible note Change in FV of investments Gain on deconsolidation of Caelum Total Other Income Pretax Income (loss from continuing operations) Income Tax Benefit (Provision) Tax Rate CAAP Net Income (Loss) Addjusted (Non-GAAP) Loss Less: net loss attributable to non-controlling interests Net Income (Ges) attributable to common stockholders CAAP-EPS (Dil) Adjusted Non-GAAP EPS (DIL)	- 2,559 (11,849) (27) 18,476 9,159 (101,660) (0,660) (0,73) (0,60)	(23,565) 2,687 (12,441) (1,147) 533 (10,369) (130,480) (35,842) 55,264 (53,560) (0,76) (0,76) (0,50)	(15,308) 39,294 (447) 24,188 (164,353) (447) 0% (164,826) 100,123 (64,703) (0,79) (0,79)	(13,642) (9,900) (213,464) 0% (213,913) 127,338 (86,575) (0.97) (0.97)	(4,296) (47) 6,678 351 3,722 (55,145) - 0% (55,145) 33,608 (21,537) (0,21) (0,21)	(3,438) (3,085) (57,322) - - (57,322) (57,322) 28,727 (28,595) (0,28) (0,28)	(3,724) (3,343) (57,562) - 0% (57,562) (57,562) 31,121 (26,440) (0.26) (0.26)	(3,868) (3,471) (62,527) - (62,527) (62,527) 32,318 (30,208) (0.30) (0.30)	(14,324) (12,856) (239,235) (239,235) (19,698 (106,781) (1.05) (1.05)	(15,040) (13,499) (152,967) (15,297) 10% (137,670) 112,516 (25,154) (0,25) (0,25)	(15,792) (14,174) 5,243 786 15% 4,457 105,765 110,221 1.07 1.07	(16,582) (14,883) 226,627 40,793 18% 185,934 99,419 285,253 2,76 2,76	(17,411) (15,627) 430,409 86,082 20% 344,327 93,454 437,781 4,22 4,22	(18,282) (16,408) 443,314 93,096 21% 350,218 87,847 438,065 4,21 4,21	(19,196) (17,229) 482,499 110,975 23% 371,524 82,576 454,100 4,34 4,34	(20,155) (18,090) 518,200 129,550 25% 388,650 77,621 466,271 4,44 4,44

Source: Company reports and Dawson James

Source: Dawson James estimates and company reports



Companies that may be mentioned in this report, working with Fortress and/or part of valuation discussion:

Alexion (ALXN/NASDAQ)-Not covered.

Astra Zeneca (AZN/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 (DERM).

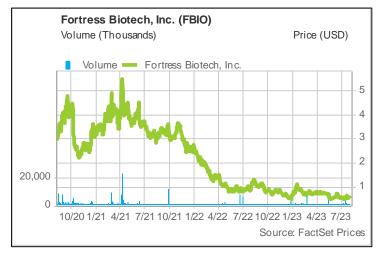
Cyprium Therapeutics (Private).

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

Dr. Reddy's Laboratories Ltd. (RDY-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 Update - Buy September 29, 2021, Price Target \$24.00 Update - Buy October 26, 2021, Price Target \$24.00 Update - Buy November 19, 2021, Price Target \$24.00 Update – Buy February 17, 2022, Price Target \$24.00 Update - Buy March 28, 2022, Price Target \$24.00 Update – Buy May 17, 2022, Price Target \$24.00 Update - Buy August 11, 2022, Price Target \$24.00 Update - Buy October 7, 2022, Price Target \$24.00 Update - Buy January 25, 2023, Price Target \$24.00 Update - Buy April 12, 2023, Price Target \$24.00 Update – Buy July 3, 2023, Price Target \$24.00 Update - Buy July 12, 2023, Price Target \$24.00 Update - Buy July 26, 2023, Price Target \$24.00 Update - Buy July 27, 2023, Price Target \$24.00 Update - Buy August 9, 2023, Price Target \$24.00

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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.

Current as of	3-Aug-23			
	Company		Investment	
	Coverage		Banking	
				% of
Ratings Distribution	# of Companies	% of Total	# of Companies	Totals
Market Outperform (Buy)	24	69%	3	8.60%
Market Perform (Neutral)	11	31%	3	8.60%
Market Underperform (Sell)	0	0%	0	0.00%
Total	35	100%	6	17.20%

Current as of 3-Aug-23

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.