

# 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 1<sup>st</sup> 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<br>at Week 16 | Inflammatory<br>Lesion<br>Change<br>at Week 16 | IGA Success<br>at Week 16 | Inflammatory<br>Lesion<br>Change<br>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%<br>30.375  | 30%<br>45.281   | 30%<br>80.438   | 30%<br>76,781  | 30%<br>69.188  | 30%<br>58,500  |
| Revenues Attributed back to Fortress<br>Cyprium -CUTX-101 - Menkes Disease   | 0   | 0  | -   |   |   | s - s  | 1  | -   | -   | 21,938  | \$ 22,500  | 45,281<br>\$ 67,500   | \$ 112,500  | \$ 112,500   | \$ 112,500   | \$ 112,500   |
| Percent Owned by Fortress  | 89%   | 89%  | <b>3</b> -<br>89%   | 89%   | 89%   | s - 3<br>89%   | 89%  | 89%   | <b>&gt;</b> -<br>89%  | <b>&gt;</b> -<br>89%  | \$ 22,500  | \$ 67,500   | \$ 112,500  | \$ 112,500   | \$ 112,500<br>89%  | \$ 112,500<br>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%<br>277.715   | 32%  | 32%  |
| Revenues Attributed back to Fortress<br>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<br>86,842   | 173,572<br>95,527   | 260,358<br>105,079  | 115,587  | 295,073<br>127,146   | 312,430<br>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%<br>Associate Milestones  |   |  | \$ 2,400  |   | s -   | \$-\$  | -  | -   | \$-   | \$ -<br>\$ 50,000   | \$ 12,204<br>\$ 50,000   | \$ 24,409<br>\$ 50,000  | \$ 36,613<br>\$ 35,000  | \$ 39,054  | \$ 41,495  | \$ 43,935  |
| Total Royalties & Milestones   |   |  | \$ 2,400<br>72,666  | 4740  | 40.400  | ə - 3  | -  | -   | 12,429  | \$ 50,000<br>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:<br>Fortress  |   |  |   |   |   |  |  |   |   |   |  |   |   |  |  |  |
| Costs of Goods Sold (Journey Medical)  | 10,532  | 14,594   | 32,084  | 30,775  | 6,449   |  |  | _   | 6,449   |   | <b>-</b>   | · .   | · .   | · .  |  |  |
| %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<br>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)<br>Mustang  |   | 25,659<br>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   |  | -<br>649  | -<br>1,398  | -<br>1,036  | 352  | 382  | 396   | 1,468   | 1,541   | 1,010  | 1,699   | 1,784   | 1,873  |  | 2,065  |
| Operating Income (Loss) adjusted<br>Interest income (expense), net<br>Interest expense and financing fee   | -   | (23,565)   | (15,308)  | -<br>1,398<br>(13,642)  | (4,296)   | 352<br>(3,438)   | 382<br>(3,724)   | 396<br>(3,868)  | 1,468<br>(14,324)   | 1,541<br>(15,040)   | (15,792)   | 1,699<br>(16,582)   | 1,784<br>(17,411)   | 1,873 (18,282)   | (19,196)   | (20,155)   |
| Operating Income (Loss) adjusted<br>Interest income (expense), net<br>Interest expense and financing fee<br>Change in FV of derivative liability   | -<br>2,559  | (23,565)<br>2,687  | (15,308)<br>39,294  |   | (4,296)<br>(47)   |  |  |   |   |   |  |   |   |  |  |  |
| Operating Income (Loss) adjusted<br>Interest income (expense), net<br>Interest expense and financing fee<br>Change in FV of derivative liability<br>Change in FV of subsidiary convertible note  | -<br>2,559<br>(11,849)  | (23,565)<br>2,687<br>(12,441)<br>(1,147)   | (15,308)  |   | (4,296)<br>(47)<br>6,678  |  |  |   |   |   |  |   |   |  |  |  |
| Operating Income (Loss) adjusted<br>Interest income (expense), net<br>Interest expense and financing fee<br>Change in FV of derivative liability<br>Change in FV of subsidiary convertible note<br>Change in FV of investments   | -<br>2,559<br>(11,849)<br>(27)  | (23,565)<br>2,687<br>(12,441)  | (15,308)<br>39,294  |   | (4,296)<br>(47)   |  |  |   |   |   |  |   |   |  |  |  |
| Operating Income (Loss) adjusted<br>Interest income (expense), net<br>Interest expense and financing fee<br>Change in FV of derivative liability<br>Change in FV of subsidiary convertible note<br>Change in FV of investments<br>Gain on deconsolidation of Caelum  | -<br>2,559<br>(11,849)<br>(27)<br>18,476  | (23,565)<br>2,687<br>(12,441)<br>(1,147)<br>533  | (15,308)<br>39,294<br>(447)   | (13,642)  | (4,296)<br>(47)<br>6,678<br>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<br>Interest income (expense), net<br>Interest expense and financing fee<br>Change in FV of derivative liability<br>Change in FV of subsidiary convertible note<br>Change in FV of investments<br>Gain on deconsolidation of Caelum<br>Total Other Income  | -<br>2,559<br>(11,849)<br>(27)<br>18,476<br>9,159   | (23,565)<br>2,687<br>(12,441)<br>(1,147)<br>533<br>(10,369)  | (15,308)<br>39,294<br>(447)<br>24,188   | (13,642)  | (4,296)<br>(47)<br>6,678<br>351<br><b>3,722</b>   |  |  | (3,868)<br>(3,471)  |   | (15,040)<br>(13,499)  | (15,792)   | (16,582)<br>(14,883)  | (17,411)  | (18,282)<br>(16,408)   | (19,196)   | (20,155)<br>(18,090)   |
| Operating Income (Loss) adjusted<br>Interest income (expense), net<br>Interest expense and financing fee<br>Change in FV of derivative liability<br>Change in FV of subsidiary convertible note<br>Change in FV of investments<br>Gain on deconsolidation of Caelum  | -<br>2,559<br>(11,849)<br>(27)<br>18,476  | (23,565)<br>2,687<br>(12,441)<br>(1,147)<br>533  | (15,308)<br>39,294<br>(447)   | (13,642)  | (4,296)<br>(47)<br>6,678<br>351   | (3,438)  | (3,724)  | (3,868)   | (14,324)  | (15,040)<br>(13,499)<br>(152,967)   | (15,792)   | (16,582)  | (17,411)  | (18,282)   | (19,196)   | (20,155)<br>(18,090)<br>518,200  |
| Operating Income (Loss) adjusted<br>Interest income (expense), net<br>Interest expense and financing fee<br>Change in FV of derivative liability<br>Change in FV of subsidiary convertible note<br>Change in FV of subsidiary convertible note<br>Gain on deconsolidation of Caelum<br>Total Other Income<br>Pretax Income (loss from continuing operations)   | -<br>2,559<br>(11,849)<br>(27)<br>18,476<br>9,159   | (23,565)<br>2,687<br>(12,441)<br>(1,147)<br>533<br>(10,369)  | (15,308)<br>39,294<br>(447)<br>24,188<br>(164,353)  | (13,642)<br>(9,900)<br>(213,464)  | (4,296)<br>(47)<br>6,678<br>351<br><b>3,722</b>   | (3,438)  | (3,724)  | (3,868)<br>(3,471)  | (14,324)  | (15,040)<br>(13,499)  | (15,792)<br>(14,174)<br>5,243  | (16,582)<br>(14,883)<br>226,627   | (17,411)<br>(15,627)<br>430,409   | (18,282)<br>(16,408)<br>443,314  | (19,196)<br>(17,229)<br>482,499  | (20,155)<br>(18,090)   |
| Operating Income (Loss) adjusted<br>Interest income (expense), net<br>Interest expense and financing fee<br>Change in FV of deviative liability<br>Change in FV of subsidiary convertible note<br>Change in FV of investments<br>Gain on deconsolidation of Caelum<br>Total Other Income<br>Pretax Income (toss from continuing operations)<br>Income Tax Benefit (Provision)<br>Tax Rate  | -<br>2,559<br>(11,849)<br>(27)<br>18,476<br>9,159<br>(101.660)<br>0%  | (23,565)<br>2,687<br>(12,441)<br>(1,147)<br>533<br>(10,369)<br>(130,480)<br>0%   | (15,308)<br>39,294<br>(447)<br>24,188<br>(164,353)<br>(447)<br>0%   | (13,642)<br>(9,900)<br>(213,464)<br>449<br>0%   | (4,296)<br>(47)<br>6,678<br>351<br><b>3,722</b><br>(55,145)   | (3,438)<br>(3,085)<br>(57,322)<br>-<br>0%  | (3,724)<br>(3,343)<br>(57,562)<br>-<br>0%  | (3,868)<br>(3,471)<br>(62,527)<br>-<br>0%   | (14,324)<br>(12,856)<br>(239,235)<br>-<br>0%  | (15,040)<br>(13,499)<br>(152,967)<br>(15,297)<br>10%  | (15,792)<br>(14,174)<br>5,243<br>786<br>15%  | (16,582)<br>(14,883)<br>226,627<br>40,793<br>18%  | (17,411)<br>(15,627)<br>430,409<br>86,082<br>20%  | (18,282)<br>(16,408)<br>443,314<br>93,096<br>21%   | (19,196)<br>(17,229)<br>482,499<br>110,975<br>23%  | (20,155)<br>(18,090)<br><b>518,200</b><br>129,550<br>25%   |
| Operating Income (Loss) adjusted<br>Interest income (expense), net<br>Interest expense and financing fee<br>Change in FV of deviative liability<br>Change in FV of subsidiary convertible note<br>Change in FV of investments<br>Gain on deconsolidation of Caelum<br>Total Other Income<br>Pretax Income (loss from continuing operations)<br>Income Tax Benefit (Provision)<br>Tax Rate<br>GAAP Net Income (Loss)  | -<br>2,559<br>(11,849)<br>(27)<br>18,476<br>9,159<br>(101,660)  | (23,565)<br>2,687<br>(12,441)<br>(1,147)<br>533<br>(10,369)<br>(130,480)<br>0%<br>(130,480)  | (15,308)<br>39,294<br>(447)<br>24,188<br>(164,353)  | (13,642)<br>(9,900)<br>(213,464)<br>449   | (4,296)<br>(47)<br>6,678<br>351<br><b>3,722</b><br>(55,145)   | (3,438)<br>(3,085)<br>(57,322)   | (3,724)<br>(3,343)<br>(57,562)   | (3,868)<br>(3,471)<br>(62,527)  | (14,324)<br>(12,856)<br>(239,235)   | (15,040)<br>(13,499)<br>(152,967)<br>(15,297)   | (15,792)<br>(14,174)<br>5,243<br>786   | (16,582)<br>(14,883)<br>226,627<br>40,793   | (17,411)<br>(15,627)<br>430,409<br>86,082   | (18,282)<br>(16,408)<br>443,314<br>93,096  | (19,196)<br>(17,229)<br>482,499<br>110,975   | (20,155)<br>(18,090)<br>518,200<br>129,550   |
| Operating Income (Loss) adjusted<br>Interest income (expense), net<br>Interest expense and financing fee<br>Change in FV of subsidiary convertible note<br>Change in FV of subsidiary convertible note<br>Change in FV of subsidiary convertible note<br>Change in FV of investments<br>Gain on deconsolidation of Caelum<br>Total Other Income<br>Prelax Income (Loss from continuing operations)<br>Income Tax Benefit (Provision)<br>Tax Rate<br>GAAP Net Income (Loss)<br>Addjusted (Non-GAAP) Loss  | -<br>2,559<br>(11,849)<br>(27)<br>18,476<br>9,159<br>(101,660)  | (23,565)<br>2,687<br>(12,441)<br>(1,147)<br>533<br>(10,369)<br>(130,480)<br>(35,842)   | (15,308)<br>39,294<br>(447)<br>24,188<br>(164,353)<br>(447)<br>0%<br>(164,826)  | (13,642)<br>(9,900)<br>(213,464)<br>449<br>0%<br>(213,913)  | (4,296)<br>(47)<br>6,678<br>351<br>3,722<br>(55,145)<br>-<br>0%<br>(55,145)   | (3,438)<br>(3,085)<br>(57,322)<br>-<br>0%<br>(57,322)  | (3,724)<br>(3,343)<br>(57,562)<br>(57,562)   | (3,868)<br>(3,471)<br>(62,527)<br>-<br>0%<br>(62,527)   | (14,324)<br>(12,856)<br>(239,235)<br>-<br>0%<br>(239,235)   | (13,499)<br>(152,967)<br>(152,297)<br>10%<br>(137,670)  | (15,792)<br>(14,174)<br>5,243<br>786<br>15%<br>4,457   | (16,582)<br>(14,883)<br>226,627<br>40,793<br>18%<br>185,834   | (17,411)<br>(15,627)<br>430,409<br>86,082<br>20%<br>344,327   | (18,282)<br>(16,408)<br>443,314<br>93,096<br>21%<br>350,218  | (19,196)<br>(17,229)<br>482,499<br>110,975<br>23%<br>371,524   | (20,155)<br>(18,090)<br>518,200<br>129,550<br>25%<br>388,650   |
| Operating Income (Loss) adjusted<br>Interest income (expense), net<br>Interest expense and financing fee<br>Change in FV of subsidiary convertible note<br>Change in FV of subsidiary convertible note<br>Change in FV of investments<br>Gain on deconsolidation of Caelum<br>Total Other Income<br>Pretax Income (loss from continuing operations)<br>Income Tax Benefit (Provision)<br>Tax Rate<br>GAAP Net Income (Loss)<br>Addjusted (Non-GAAP) Loss<br>Less: net loss attributable to non-controlling interests   | -<br>2,559<br>(11,849)<br>(27)<br>18,476<br>9,159<br>(101,660)<br>0%<br>(101,660)<br>61,700                     | (23,565)<br>2,687<br>(12,441)<br>(1,147)<br>533<br>(10,369)<br>(130,480)<br>0%<br>(130,480)<br>(35,842)<br>55,264                        | (15,308)<br>39,294<br>(447)<br>24,188<br>(164,353)<br>(447)<br>0%<br>(164,326)<br>100,123                                 | (13,642)<br>(9,900)<br>(213,464)<br>449<br>0%<br>(213,913)<br>127,338   | (4,296)<br>(47)<br>6,678<br>351<br>3,722<br>(55,145)<br>-<br>0%<br>(55,145)<br>33,608   | (3,438)<br>(3,085)<br>(57,322)<br>-<br>0%<br>(57,322)<br>28,727  | (3,724)<br>(3,343)<br>(57,562)<br>-<br>-<br>0%<br>(57,562)<br>31,121   | (3,868)<br>(3,471)<br>(62,527)<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | (14,324)<br>(12,856)<br>(239,235)<br>   | (15,040)<br>(13,499)<br>(152,967)<br>(15,297)<br>10%<br>(137,670)<br>112,516  | (15,792)<br>(14,174)<br>5,243<br>786<br>15%<br>4,457<br>105,765                                    | (16,582)<br>(14,883)<br>226,627<br>40,793<br>18%<br>185,834<br>99,419   | (17,411)<br>(15,627)<br>430,409<br>86,082<br>20%<br>344,327<br>93,454   | (18,282)<br>(16,408)<br>443,314<br>93,096<br>21%<br>350,218<br>87,847                                    | (19,196)<br>(17,229)<br>482,499<br>110,975<br>23%<br>371,524<br>82,576                                       | (20,155)<br>(18,090)<br>518,200<br>129,550<br>25%<br>388,650<br>77,621                                       |
| Operating Income (Loss) adjusted<br>Interest income (expense), net<br>Interest expense and financing fee<br>Change in FV of subsidiary convertible note<br>Change in FV of subsidiary convertible note<br>Change in FV of subsidiary convertible note<br>Change in FV of investments<br>Gain on deconsolidation of Caelum<br>Total Other Income<br>Profask Income (Loss)<br>Income Tax Benefit (Provision)<br>Tax Rate<br>CAAP Net Income (Loss)<br>Addiusted (Non-GAAP) Loss<br>Less: net loss attributable to non-controlling interests<br>Net Income (loss) attributable to common stockholders   | -<br>2,559<br>(11,849)<br>(27)<br>18,476<br>9,159<br>(101,660)<br>0%<br>(101,660)<br>61,700<br>(39,960)         | (23,565)<br>2,687<br>(12,441)<br>(1,147)<br>533<br>(10,369)<br>(130,480)<br>0%<br>(130,480)<br>(35,842)<br>55,264<br>(53,560)            | (15,308)<br>39,294<br>(447)<br>24,188<br>(164,353)<br>(447)<br>0%<br>(164,826)<br>100,123<br>(64,703)                     | (13,642)<br>(9,900)<br>(213,464)<br>449<br>0%<br>(213,913)<br>127,338<br>(86,575)                               | (4,296)<br>(47)<br>6,678<br>351<br>3,722<br>(55,145)<br>-<br>0%<br>(55,145)<br>33,608<br>(21,537)                                     | (3,438)<br>(3,085)<br>(57,322)<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | (3,724)<br>(3,343)<br>(57,562)<br>(57,562)<br>(57,562)<br>31,121<br>(26,440)                                 | (3,868)<br>(3,471)<br>(62,527)<br>-<br>0%<br>(62,527)<br>32,318<br>(30,208)   | (14,324)<br>(12,856)<br>(239,235)<br>(239,235)<br>(239,235)<br>119,698<br>(106,781)                 | (15,040)<br>(13,499)<br>(152,967)<br>(15,297)<br>10%<br>(137,670)<br>112,516<br>(25,154)                                | (15,792)<br>(14,174)<br>5,243<br>786<br>15%<br>4,457<br>105,765<br>110,221                         | (16,582)<br>(14,883)<br>226,627<br>40,793<br>18%<br>185,834<br>99,419<br>285,253                                    | (17,411)<br>(15,627)<br>430,409<br>86,082<br>20%<br>344,327<br>93,454<br>437,781                                    | (18,282)<br>(16,408)<br>443,314<br>93,096<br>21%<br>350,218<br>87,847<br>438,065                         | (19,196)<br>(17,229)<br>482,499<br>110,975<br>23%<br>371,524<br>82,576<br>454,100                            | (20,155)<br>(18,090)<br>518,200<br>129,550<br>25%<br>388,650<br>77,621<br>466,271                            |
| Operating Income (Loss) adjusted<br>Interest income (expense), net<br>Interest expenses and financing fee<br>Change in FV of derivative liability<br>Change in FV of subsidiary convertible note<br>Change in FV of subsidiary convertible note<br>Change in FV of subsidiary<br>Gain on deconsolidation of Caelum<br>Total Other Income<br>Pretax Income (loss form continuing operations)<br>Income Tax Benefit (Provision)<br>Tax Rate<br>GAAP Net Income (Loss)<br>Addjusted (Non-GAAP) Loss<br>Less: net loss attributable to common stockholders<br>GAAP-EPS   | 2,559<br>(11,849)<br>(27)<br>18,476<br>9,159<br>(101,660)<br>0%<br>(101,660)<br>61,700<br>(39,960)<br>(0.73)    | (23,565)<br>2,687<br>(12,441)<br>(1,147)<br>533<br>(10,369)<br>(130,480)<br>(35,842)<br>55,264<br>(53,560)<br>(0.76)                     | (15,308)<br>39,294<br>(447)<br>24,188<br>(164,353)<br>(447)<br>0%<br>(164,826)<br>100,123<br>(64,703)<br>(0.79)           | (13,642)<br>(9,900)<br>(213,464)<br>449<br>0%<br>(213,913)<br>127,338<br>(86,575)<br>(0,97)                     | (4,296)<br>(47)<br>6,678<br>351<br>3,722<br>(55,145)<br>-<br>0%<br>(55,145)<br>33,608<br>(21,537)<br>(0,21)                           | (3,438)<br>(3,085)<br>(57,322)<br>-<br>0%<br>(57,322)<br>28,727<br>(28,595)<br>(0.28)                                    | (3,724)<br>(3,343)<br>(57,562)<br>(57,562)<br>(57,562)<br>(57,562)<br>(31,121<br>(26,440)<br>(0.26)          | (3,868)<br>(3,471)<br>(62,527)<br>  | (14,324)<br>(12,856)<br>(239,235)<br>(239,235)<br>(239,235)<br>119,698<br>(106,781)<br>(1.05)       | (15,040)<br>(15,297)<br>(15,297)<br>(15,297)<br>(137,670)<br>(137,670)<br>(125,154)<br>(0,25)                           | (15,792)<br>(14,174)<br>5,243<br>786<br>15%<br>4,457<br>105,765<br>110,221<br>1.07                 | (16,582)<br>(14,883)<br>226,627<br>40,793<br>18%<br>185,834<br>99,419<br>285,253<br>2,76                            | (17,411)<br>(15,627)<br>430,409<br>86,082<br>20%<br>344,327<br>93,454<br>437,781<br>4.22                            | (18,282)<br>(16,408)<br>443,314<br>93,096<br>21%<br>350,218<br>87,847<br>438,065<br>4,21                 | (19,196)<br>(17,229)<br>482,499<br>110,975<br>23%<br>371,524<br>82,576<br>454,100<br>4.34                    | (20,155)<br>(18,090)<br>518,200<br>129,550<br>25%<br>388,650<br>77,621                                       |
| Operating Income (Loss) adjusted<br>Interest income (expense), net<br>Interest expense and financing fee<br>Change in FV of subsidiary convertible note<br>Change in FV of subsidiary convertible note<br>Change in FV of investments<br>Gain on deconsolidation of Caelum<br>Total Other Income<br>Pretax Income (loss from continuing operations)<br>Income Tax Benefit (Provision)<br>Tax Rate<br>GAAP Net Income (Loss)<br>Addjusted (Non-GAAP) Loss<br>Less: net loss attributable to non-controlling interests<br>Net Income (loss) attributable to common stockholders<br>GAAP-EFS<br>GAAP-EFS (Dil)  | -<br>2,559<br>(11,849)<br>(27)<br>18,476<br>9,159<br>(101,660)<br>(0,660)<br>(0,73)<br>(0,60)                   | (23,565)<br>2,687<br>(12,441)<br>(1,147)<br>533<br>(10,369)<br>(130,480)<br>0%<br>(130,480)<br>(35,842)<br>55,264<br>(53,560)            | (15,308)<br>39,294<br>(447)<br>24,188<br>(164,353)<br>(447)<br>0%<br>(164,826)<br>100,123<br>(64,703)                     | (13,642)<br>(9,900)<br>(213,464)<br>449<br>0%<br>(213,913)<br>127,338<br>(86,575)                               | (4,296)<br>(47)<br>6,678<br>351<br>3,722<br>(55,145)<br>-<br>0%<br>(55,145)<br>33,608<br>(21,537)                                     | (3,438)<br>(3,085)<br>(57,322)<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | (3,724)<br>(3,343)<br>(57,562)<br>(57,562)<br>(57,562)<br>31,121<br>(26,440)                                 | (3,868)<br>(3,471)<br>(62,527)<br>-<br>0%<br>(62,527)<br>32,318<br>(30,208)   | (14,324)<br>(12,856)<br>(239,235)<br>(239,235)<br>(239,235)<br>119,698<br>(106,781)                 | (15,040)<br>(13,499)<br>(152,967)<br>(15,297)<br>10%<br>(137,670)<br>112,516<br>(25,154)                                | (15,792)<br>(14,174)<br>5,243<br>786<br>15%<br>4,457<br>105,765<br>110,221                         | (16,582)<br>(14,883)<br>226,627<br>40,793<br>18%<br>185,834<br>99,419<br>285,253                                    | (17,411)<br>(15,627)<br>430,409<br>86,082<br>20%<br>344,327<br>93,454<br>437,781                                    | (18,282)<br>(16,408)<br>443,314<br>93,096<br>21%<br>350,218<br>87,847<br>438,065                         | (19,196)<br>(17,229)<br>482,499<br>110,975<br>23%<br>371,524<br>82,576<br>454,100                            | (20,155)<br>(18,090)<br>518,200<br>129,550<br>25%<br>388,650<br>77,621<br>466,271<br>4.44                    |
| Operating Income (Loss) adjusted<br>Interest income (expense), net<br>Interest expense and financing fee<br>Change in FV of derivative liability<br>Change in FV of subsidiary convertible note<br>Change in FV of subsidiary convertible note<br>Change in FV of investments<br>Gain on deconsolidation of Caelum<br>Total Other Income<br>Pretax Income (loss from continuing operations)<br>Income Tax Benefit (Provision)<br>Tax Rate<br>GAAP Net Income (Loss)<br>Addjusted (Non-GAAP) Loss<br>Less: net Ioss attributable to comon stockholders<br>GAAP-FPS<br>GAAP-FPS (Dil)<br>Adjusted Non-GAAP EPS (DIL)<br>Wigtd Avg Shrs (Bas) - '000s | -<br>2,559<br>(11,849)<br>(27)<br>18,476<br>9,159<br>(101,660)<br>0%<br>(101,660)<br>(0,73)<br>(0,60)<br>54,711 | (23,565)<br>2,687<br>(12,441)<br>(1,147)<br>533<br>(10,369)<br>(130,480)<br>(35,842)<br>55,264<br>(53,560)<br>(0,76)<br>(0,76)           | (15,308)<br>39,294<br>(447)<br>24,188<br>(164,353)<br>(447)<br>0%<br>(164,826)<br>100,123<br>(64,703)<br>(0.79)           | (13,642)<br>(9,900)<br>(213,464)<br>449<br>0%<br>(213,913)<br>127,338<br>(86,575)<br>(0,97)<br>(0,97)<br>88,875 | (4,296)<br>(47)<br>6,678<br>351<br>3,722<br>(55,145)<br>-<br>-<br>0%<br>(55,145)<br>33,608<br>(21,537)<br>(0,21)<br>(0,21)<br>101,886 | (3,438)<br>(3,085)<br>(57,322)<br>-<br>0%<br>(57,322)<br>28,727<br>(28,595)<br>(0.28)                                    | (3,724)<br>(3,343)<br>(57,562)<br>(57,562)<br>(57,562)<br>(31,121<br>(26,440)<br>(0.26)<br>(0.26)<br>102,090 | (3,868)<br>(3,471)<br>(62,527)<br>(62,527)<br>(62,527)<br>32,318<br>(30,208)<br>(0,30)<br>(0,30)<br>102,192                   | (14,324)<br>(12,856)<br>(239,235)<br>(239,235)<br>(106,781)<br>(1.05)<br>(1.05)<br>(1.05)<br>(1.05) | (15,040)<br>(13,499)<br>(152,967)<br>(15,297)<br>10%<br>(137,670)<br>112,516<br>(25,154)<br>(0,25)<br>(0,25)<br>102,447 | (15,792)<br>(14,174)<br>5,243<br>786<br>15%<br>4,457<br>105,765<br>110,221<br>1.07<br>1.07<br>1.07 | (16,582)<br>(14,883)<br>226,627<br>40,793<br>18%<br>185,834<br>99,419<br>285,253<br>2,76<br>2,76<br>2,76<br>103,270 | (17,411)<br>(15,627)<br>430,409<br>86,082<br>20%<br>344,327<br>93,454<br>437,781<br>4,22<br>4,22<br>4,22<br>103,683 | (18,282)<br>(16,408)<br>443,314<br>93,096<br>21%<br>350,218<br>87,847<br>438,065<br>4,21<br>4,21<br>4,21 | (19,196)<br>(17,229)<br>482,499<br>110,975<br>23%<br>371,524<br>82,576<br>454,100<br>4,34<br>4,34<br>104,516 | (20,155)<br>(18,090)<br>518,200<br>129,550<br>25%<br>388,650<br>77,621<br>466,271<br>4.44<br>4.44<br>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)                                 | -<br>2,559<br>(11,849)<br>(27)<br>18,476<br>9,159<br>(101,660)<br>(0,660)<br>(0,73)<br>(0,60)                   | (23,565)<br>2,687<br>(12,441)<br>(1,147)<br>533<br>(10,369)<br>(130,480)<br>(35,842)<br>55,264<br>(53,560)<br>(0,76)<br>(0,76)<br>(0,50) | (15,308)<br>39,294<br>(447)<br>24,188<br>(164,353)<br>(447)<br>0%<br>(164,826)<br>100,123<br>(64,703)<br>(0,79)<br>(0,79) | (13,642)<br>(9,900)<br>(213,464)<br>0%<br>(213,913)<br>127,338<br>(86,575)<br>(0.97)<br>(0.97)                  | (4,296)<br>(47)<br>6,678<br>351<br>3,722<br>(55,145)<br>-<br>0%<br>(55,145)<br>33,608<br>(21,537)<br>(0,21)<br>(0,21)                 | (3,438)<br>(3,085)<br>(57,322)<br>-<br>-<br>(57,322)<br>(57,322)<br>28,727<br>(28,595)<br>(0,28)<br>(0,28)               | (3,724)<br>(3,343)<br>(57,562)<br>-<br>0%<br>(57,562)<br>(57,562)<br>31,121<br>(26,440)<br>(0.26)<br>(0.26)  | (3,868)<br>(3,471)<br>(62,527)<br>-<br>(62,527)<br>(62,527)<br>32,318<br>(30,208)<br>(0.30)<br>(0.30)                         | (14,324)<br>(12,856)<br>(239,235)<br>(239,235)<br>(19,698<br>(106,781)<br>(1.05)<br>(1.05)          | (15,040)<br>(13,499)<br>(152,967)<br>(15,297)<br>10%<br>(137,670)<br>112,516<br>(25,154)<br>(0,25)<br>(0,25)            | (15,792)<br>(14,174)<br>5,243<br>786<br>15%<br>4,457<br>105,765<br>110,221<br>1.07<br>1.07         | (16,582)<br>(14,883)<br>226,627<br>40,793<br>18%<br>185,934<br>99,419<br>285,253<br>2,76<br>2,76                    | (17,411)<br>(15,627)<br>430,409<br>86,082<br>20%<br>344,327<br>93,454<br>437,781<br>4,22<br>4,22                    | (18,282)<br>(16,408)<br>443,314<br>93,096<br>21%<br>350,218<br>87,847<br>438,065<br>4,21<br>4,21         | (19,196)<br>(17,229)<br>482,499<br>110,975<br>23%<br>371,524<br>82,576<br>454,100<br>4,34<br>4,34            | (20,155)<br>(18,090)<br>518,200<br>129,550<br>25%<br>388,650<br>77,621<br>466,271<br>4,44<br>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).

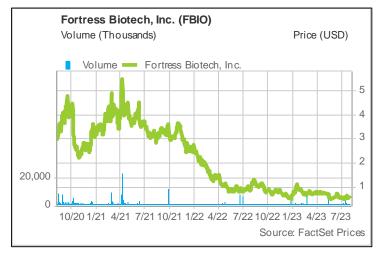
Cyprium Therapeutics (Private).

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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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 the subject company 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.

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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.

| 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.