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UPDATE REPORT

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GENPREX, Inc. (GNPX) – Neutral Rated

Genprex to present data on the use of REQORSA

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Genprex announced that research collaborators will present "clinical and preclinical" data from studies of REQORSA (quaratusugene ozeplasmid) used for the treatment of lung cancers, at the 2023 AACR-NCI-EORTC International Conference on Molecular Targets and Cancer Therapeutics taking place from October 11-15, 2023 at the Hynes Convention Center in Boston. REQORSA is a non-viral gene therapy that leads to expression of the TUSC2 tumor suppressor gene in cancers.

Investment Highlights:

Oncology Program Update – REQORSA: The company completed the Phase 1 portion of the Acclaim-1 Phase 1/2 clinical trial of REQORSA in combination with Tagrisso (osimertinib) to treat late-stage non-small cell lung cancer (NSCLC), and the Safety Review Committee (SRC) has approved continuation to the Phase 2 expansion portion of the trial. **Genprex Granted FDA Orphan Drug Designation (ODD) for REQORSA** Immunogene Therapy for the Treatment of Small Cell Lung Cancer.

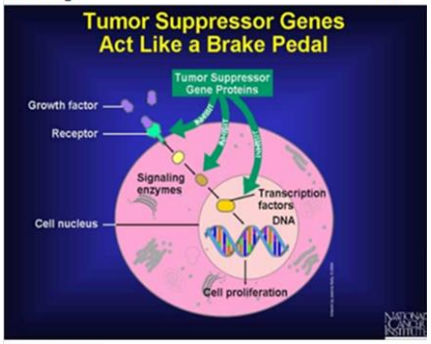
Presentation Focus: Results of the P1 dose escalation portion of the Acclaim-1 clinical trial of REQORSA in combination with Tagrisso (osimertinib) to treat late-stage NSCLC. Results showed REQORSA was generally well tolerated with no Dose Limiting Toxicities (DLTs). Of the 12 patients treated with escalating doses of REQORSA and standard doses of Tagrisso, all of whom had progressed on Tagrisso containing regimens, two patients experienced prolonged time to progression, including one with continuing partial response. While REQORSA administration was associated with delayed infusion-related reactions of muscle aches, fever and chills in some patients, this was managed with prophylactic steroids, acetaminophen and diphenhydramine, and symptoms decreased with repeat cycles. The study's Safety Review Committee met and determined that the recommended Phase 2 dose for REQORSA in combination with Tagrisso in patients with NSCLC progressing after Tagrisso treatment will be 0.12 mg/kg. This was the highest dose level delivered in the Phase 1 portion and is twice the highest dose level delivered in Genprex's prior clinical trial combining REQORSA with Tarceva (erlotinib) for the treatment of late-stage NSCLC. The SRC also recommended the trial advance to the Phase 2 expansion portion of the study.

Diabetes Program: The company has developed a gene therapy that is designed to transform alpha cells in the pancreas into functional beta-like cells, which can produce insulin but are distinct enough from beta cells to evade the body's immune system. The therapy utilizes a procedure in which an adeno-associated virus vector is endoscopically delivered to the pancreas to insert Pdx1 and MafA genes. We think its worth noting the progress that Biotech leader Vertex (VRTX-Not Rated) is reporting in their diabetes program with VX-880.

Valuation: We project our model out to 2033. We apply a 30% risk cut to our projected revenues in our product model in addition to our 30% risk rate applied in our Free Cash Flow to the Firm (FCFF), discounted EPS (dEPS), and Sum-of-the-Parts (SOP) models. We use a fully diluted out-year share count, assuming multiple raises.

Risks to our thesis include: 1. Regulatory Approvals; 2. Clinical Science 3. Adoption Rates 4. The competitive landscape. 5. Intellectual Capital 6. Dilution.

Current Price	**$0.37**
Price Target	**NA**



Source: Genprex

Stock Data			
52-Week Range	$0.34	-	$1.94
Shares Outstanding (mil.)			59.4
Market Capitalization (mil.)			$22
Enterprise Value (mil.)			$12
Debt to Capital			0%
Book Value/Share			-
Price/Book			3.1
Average Three Months Trading Volume (K)			349
Insider Ownership			2.7%
Institutional Ownership			12.3%
Short interest (mil.)			3.0%
Dividend / Yield			$0.00/0.0%

Risks to our thesis include 1. Regulatory Approvals; 2. Clinical Science 3. Adoption Rates 4. The competitive landscape 5. Intellectual Capital 6. Dilution.

- **Regulatory Approvals**. The company's products require regulatory approvals, and there can be no assurances that the requirements to achieve these approvals can be met.
- **Clinical Science:** The company will need to demonstrate its therapeutics work and are safe and comparable or better versus the existing standard of care.
- **Adoption Rates**: There are no assurances that our projected market share can be met. A combination of factors from efficacy, positioning in the competitive landscape, pricing and reimbursement are factors in driving decision-makers to select the product for their practices and patients.
- **The Competitive Landscape & IP**. The company does have intellectual property and knows how to protect the utility of its devices and software; however, we expect that the technology cycle will be competitive, and the company may face competition from well-financed competitors who are already in position in the target markets.
- **Dilution**: The company is likely to incur losses for the foreseeable future until it is able to generate sufficient revenue from product sales. Our model assumes a rising share count. There can be no assurances that the company can successfully raise the capital required to execute its business strategy.

Exhibit 1. Income Statement

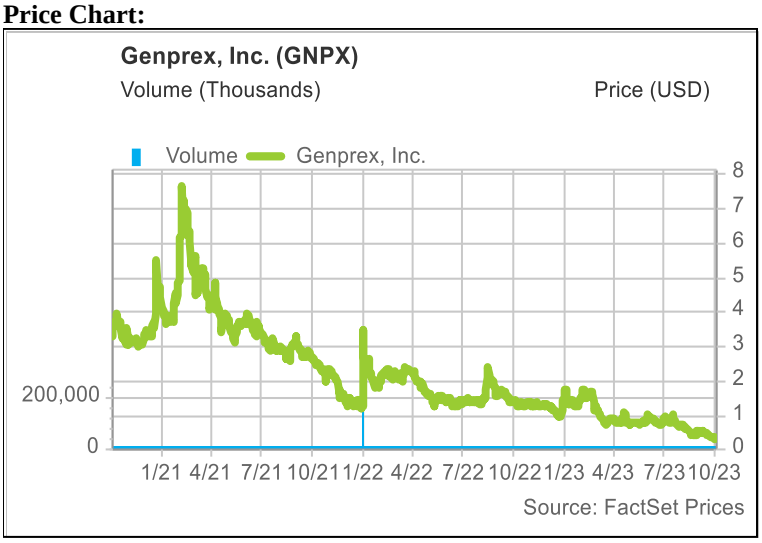
GENPREX: Income Statement ('000s)																
000 .: YE December 31	2022A	1Q23A	2Q23A	3Q23E	4Q23E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Product sales	-	-	-	-	-	-	-	-	-	-	-	-				
Oncology	-	-	-	-	-	-	-	-	-	-	-	-	75,000	200,000	350,000	1,000,000
Diabetes	-	-	-	-	-	-	-	-	-	-	-	-	75,000	200,000	350,000	1,000,000
Total Product Sales	-	-	-	-	-	-	-	-	-	-	-	-	150,000	400,000	700,000	2,000,000
Costs and Expenses:																
COGS													45,000	112,000	175,000	500,000
COGS %													30%	28%	25%	25%
Depreciation	26	4	4													
Research and Development	11,510	5,310	3,977	3,453	1,072	13,812	16,575	19,889	23,867	28,641	34,369	27,495	26,120	26,643	27,176	27,719
General and Administrative	12,295	3,957	4,055	3,105	1,301	12,418	12,542	12,668	12,794	12,922	13,051	15,009	27,017	27,287	27,560	27,835
Total Operating Expenses	23,831	9,271	8,036	6,558	2,373	26,230	29,117	32,557	36,662	41,563	47,420	42,504	53,137	53,929	54,735	55,554
Loss from Operations	(23,831)	(9,271)	(8,036)	(6,558)	(2,373)	(26,230)	(29,117)	(32,557)	(36,662)	(41,563)	(47,420)	(42,504)	96,863	346,071	645,265	1,944,446
Other Expense																
Interest Income	90	68	56	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Expense	90	68	56	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Loss	(23,741)	(9,203)	(7,980)	(6,558)	(2,373)	(26,230)	(29,117)	(32,557)	(36,662)	(41,563)	(47,420)	(42,504)	96,863	346,071	645,265	1,944,446
	-	-	-	-	-	-	-	-	-	-	-	-	9,686	51,911	129,053	700,000
Tax Rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	10%	15%	20%	36%
GAAP Net Income (loss)	(23,741)	(9,203)	(7,980)	(6,558)	(2,373)	(26,230)	(29,117)	(32,557)	(36,662)	(41,563)	(47,420)	(42,504)	87,177	294,160	516,212	1,244,445
GAAP-EPS	(0.50)	(0.19)	(0.15)	(0.11)	(0.04)	(0.49)	(0.34)	(0.34)	(0.35)	(0.35)	(0.39)	(0.35)	0.71	2.38	4.17	10.00
GAAP EPS (dil)	(0.50)	(0.16)	(0.13)	(0.08)	(0.03)	(0.38)	(0.23)	(0.23)	(0.23)	(0.24)	(0.27)	(0.24)	0.49	1.65	2.89	6.94
Wgtd Avg Shrs (Bas) ' 000	47,952	49,471	51,979	59,479	60,074	55,251	85,262	95,618	106,016	117,702	121,935	122,423	122,914	123,406	123,901	124,397
Wgtd Avg Shrs (Dil) '000	47,952	57,471	62,287	77,287	78,060	68,776	128,330	143,867	159,466	171,366	175,814	176,518	177,225	177,935	178,648	179,363

Source: Dawson James estimates, company reports

Companies mentioned in this report:

Important Disclosures:

Price Chart:



Price target and ratings changes over the past three years:
Initiated – Buy – January 30, 2023 – Price Target $3.00
Update Report – Buy – February 23, 2023 – Price Target $3.00
Update Report - Buy – March 2, 2023 – Price Target $3.00
Update Report - Buy – May 30, 2023 – Price Target $3.00
Update Report - Buy – June 27, 2023 – Price Target $3.00
Update Report - Buy – July 6, 2023 – Price Target $3.00
Update Report - Buy – July 19, 2023 – Price Target $3.00
Rating Change – Buy to Neutral – August 22, 2023 – Price Target NA
Update Report – Neutral – October 5, 2023 – Price Target NA

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Information about valuation methods and risks can be found in the "Valuation" and "Risk Analysis" sections of this report.

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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 27-Sep-23

	Company Coverage		Investment Banking	
Ratings Distribution	# of Companies	% of Total	# of Companies	% of Totals
Market Outperform (Buy)	22	64.70%	3	8.80%
Market Perform (Neutral)	12	35.30%	3	8.80%
Market Underperform (Sell)	0	0%	0	0.00%
Total	34	100%	6	17.60%

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