

Member FINRA/SIPC

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

THARIMMUNE (THAR) – Neutral Rated

October 23, 2023

Hillstream Changes Name & Ticker: THARIMMUNE (THAR)

Jason H. Kolbert
 Managing Director & Senior Analyst
 jkolbert@dawsonjames.com

Hillstream announced a new name and ticker last month as the company works to re-invent itself in the immune-oncology space. The name change is based on the Greek word “thárros”, translated to mean courage and reflects the transformation of the Company into a patient-focused, clinical development organization.

Investment Thesis

Lead Asset HSB-3215 (anti-HER2/HER3 bispecific Ab): The ErbB family of cell surface proteins are some of the most well-known and validated oncology drug targets including ErbB2 or HER2 (human epidermal growth factor receptor) and Erb3 or HER3. The family of antibodies and biologics against HER2 starting with HERCEPTIN (trastuzumab) approved in 1998 for breast cancer, one of the first few anti-cancer antibodies, as well as PERJETA, KADCYLA and PHESGO totaled \$8.4 billion in 2022 sales for Roche/Genentech (Not Rated). Antibodies against HER2 and HER3 bind to different domains of the extracellular portion of the proteins or epitopes with trastuzumab binding domain IV of HER2 primarily. HER2 is also one of the most utilized targeting antigens for antibody drug conjugates to treat HER2 positive cancers with two approved antibodies, Roche/Genentech’s PERJETA and Daiichi Sankyo/AstraZeneca’s ENHERTU.

HSB-0059: Bispecific ADC: Antibody Drug Conjugates (ADCs) are a class of newly emerging therapeutics which may serve as targeted therapies to treat certain cancers. They consist of a 1) a cancer killing chemotherapeutic payload, 2) an antibody-targeting a cancer cell and 3) a linker connecting the antibody to the payload. The problem with some ADCs targeting HER2 and/or HER3 essentially target the same epitopes as trastuzumab based domains. Tharimmune’s solution is based on an HSB-3215 (HER2/HER3) mAb backbone with HSB-0059 targets novel epitopes on HER2 while blocking natural ligands to HER3 and/or preventing heterodimers. ADCs can also have a potential “bystander effect” of its’ toxin payload. The goal is to design ADCs whereby the toxin delivered to surrounding non-antigenic cancer tissue can be killed and maximize antitumor potential for this novel compound.

HSB-1940: Anti-PD-1 (Undruggable Epitopes): Picobodies are antibody “knob” domains comprised of cysteine-rich ultralong complementary determining region (CDR) H3 sequences of 30-40 amino acids, which have the potential to access challenging epitopes better than full size antibodies can. By combining Quatramers with their long half-life coated with a PD-1 Picobody to create HSB-1940. The company hopes to efficiently target novel epitopes with greater binding affinity than approved biologics.

Valuation: Our model is under review. Typically, we project our model out ten years and for early-stage companies 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. Given the early nature of the company’s pipeline, we are neutral rated.

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 \$0.18
 Price Target NA

Morbidity	Candidate	Target / Mechanism	Pre-clinical	Clinical	Anticipated Milestones
Y Bsp mAb	HSB-3215	HER2 + HER3 (non-orthogonal epitopes binding multiple domains)			<ul style="list-style-type: none"> 2023: Pre-clinical studies 2024: IND enabling studies 2025: IND Filing & enter clinic
	Bispecific ADC	HSB-0059	Bispecific mAb ADC (HER2 + HER3 with undruggable payload)		<ul style="list-style-type: none"> 2024: Pre-clinical studies 2025: IND enabling studies
	Picobody	HSB-1940	Anti-PD-1 (undruggable novel epitope)		<ul style="list-style-type: none"> 2023: Proof-of-concept studies 2024: Pre-clinical studies 2025: IND enabling studies

Source: Tharimmune

Stock Data			
52-Week Range	\$0.17	-	\$2.65
Shares Outstanding (mil.)	17.6		
Market Capitalization (mil.)	\$3		
Enterprise Value (mil.)	-\$1		
Debt to Capital	0%		
Book Value/Share	-		
Price/Book	0.8		
Average Three Months Trading Volume (K)	2,269		
Insider Ownership	24.6%		
Institutional Ownership	8.7%		
Short interest (mil.)	3.9%		
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 the products work.
- **Adoption Rates:** There are no assurances that the oncology products once developed will be competitive on the complex oncology landscape.
- **The Competitive Landscape & IP.** The company plans to operate in the highly competitive oncology landscape where well financed "big pharma" dominates the field. The company does have intellectual property however there are no assurances that IP will not be challenged.
- **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 during this period. There can be no assurances that the company can successfully raise the capital required to execute its business strategy.

Exhibit 1. Income Statement

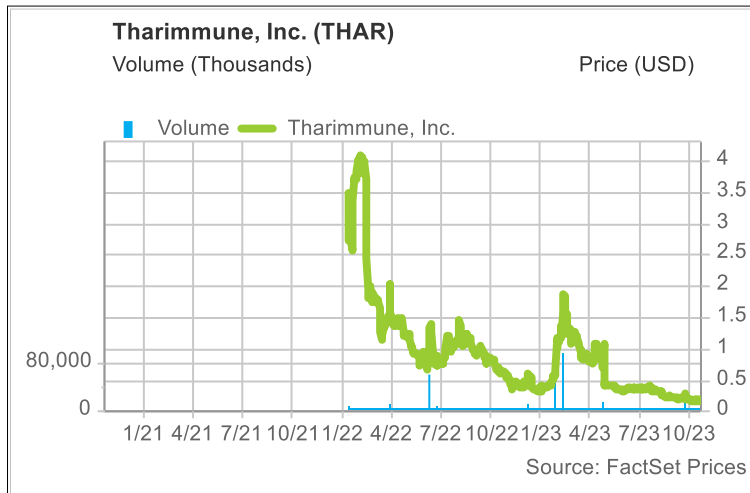
THarimmune BioPharma: Income Statement																
000 - YE December 31	2022A	1Q23A	2Q23A	3Q23E	4Q23E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Product sales																
Product 1 - Oncology																
Total Product Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses																
COGS																
COGS %		0%	0%	0%	0%											
Research and Development	2,278	1,048	1,334	700	750	3,831	4,597	5,517	6,500	5,200	5,252	5,777	6,933	8,319	9,983	11,980
General and Administrative	4,604	1,667	1,031	1,000	750	4,448	4,492	4,537	4,583	8,000	10,000	14,000	15,000	15,150	15,302	15,455
Total Operating Expenses	6,882	2,714	2,365	1,700	1,500	8,279	4,492	4,537	4,583	8,000	10,000	14,000	15,000	15,150	15,302	15,455
Loss from Operations	(6,882)	(2,714)	(2,365)	(1,700)	(1,500)	(8,279)	(4,492)	(4,537)	(4,583)	(8,000)	(10,000)	(14,000)	(15,000)	(15,150)	(15,302)	(15,455)
Other Expense																
Interest Expense	(1,591)	(6)	(7)	-	-	(13)	-	-	-	-	-	-	(700)	(1,500)	(3,606)	(5,415)
Change in Redemption Value		32	34	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Expense	(1,591)	26	28	-	-	(13)	-	-	-	-	-	-	-	-	-	-
Net Loss	(8,473)	(2,688)	(2,337)	(1,700)	(1,500)	(8,292)	(4,492)	(4,537)	(4,583)	(8,000)	(10,000)	(14,000)	(15,000)	(15,150)	(15,302)	(15,455)
Tax Rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	5%	10%	24%	33%
GAAP Net Income (loss)	(8,473)	(2,688)	(2,337)	(1,700)	(1,500)	(8,292)	(4,492)	(4,537)	(4,583)	(8,000)	(10,000)	(13,300)	(13,500)	(11,544)	(10,203)	(10,039)
GAAP-EPS	(0.75)	(0.23)	(0.16)	(0.06)	(0.05)	(0.50)	(0.15)	(0.10)	(0.06)	(0.09)	(0.10)	(0.13)	(0.13)	(0.10)	(0.15)	(0.15)
GAAP EPS (dil)	(0.75)	(0.23)	(0.16)	(0.05)	(0.04)	(0.34)	(0.10)	(0.08)	(0.05)	(0.06)	(0.07)	(0.09)	(0.09)	(0.10)	(0.15)	(0.15)
Wgtd Avg Shrs (Bas) '000	11,316	11,514	14,950	30,100	30,401	21,741	37,751	45,502	75,290	89,514	98,274	102,265	106,417	110,738	65,982	68,661
Wgtd Avg Shrs (Dil) '000	11,316	11,514	14,950	35,100	35,451	24,254	45,352	55,718	96,072	130,426	143,411	149,234	155,293	161,599	65,982	68,661

Source: Dawson James

Companies mentioned in this report:

Important Disclosures:

Price Chart:



Price target and ratings changes over the past three years:

- Initiated – Buy – February 22, 2023 – Price Target \$4.0
- Update Report – Buy – March 20, 2023 – Price Target \$4.0
- Update Report – Buy – April 11, 2023 – Price Target \$4.0
- Update Report – Buy – April 28, 2023 – Price Target \$4.0
- Update Report – Buy – May 24, 2023 – Price Target \$4.0
- Rating Change: Buy to Neutral – July 17, 2023 – Price Target NA
- Update Report Neutral – August 14, 2023 – Price Target NA
- Update Report Neutral – September 13, 2023 – Price Target NA
- Update Report Neutral – October 23, 2023 – 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 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 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 September 27, 2023, 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.

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.

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%

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.