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Zacks Small-Cap Research

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Ensysce Biosciences (ENSC-NASDAQ)

ENSC: ***Progressing in its pursuit for a solution to the opioid crisis.***

ENSC is a clinical stage pharmaceutical company dedicated to bringing a novel opioid to the market. Using discounted cash flow analysis and a slightly reduced discount rate of 23%, we arrive at a raised valuation for ENSC of $12.00.

Current Price (10/24/22)	$0.18
Valuation	**$12.00**

OUTLOOK

Ensysce Biosciences is committed to finding a solution to the opioid crisis plaguing the US and other developed countries around the world. Through its proprietary TAAP technology Ensysce is in the process of receiving approval for an abuse-resistant yet still pain-relieving opioid.

The company continues to post positive results for its solutions and is looking at expanding the use of the company's proprietary technology to other conditions.

SUMMARY DATA

52-Week High	**$5.12**
52-Week Low	**$0.18**
One-Year Return (%)	**-91.54**
Beta	**0.30**
Average Daily Volume (sh)	**1,182,197**
Shares Outstanding (mil)	**38**
Market Capitalization ($mil)	**$7**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**18**
Insider Ownership (%)	**53**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2022 Estimate	**-0.3**
P/E using 2023 Estimate	**-0.2**
Zacks Rank	**N/A**

Risk Level	**High**
Type of Stock	**Small-Blend**
Industry	**Med-Biomed/Gene**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2021	N/A	N/A	1.2A	0.4E	1.7A
2022	0.6A	0.2A	1.2E	0.9E	3.7E
2023	1.0E	0.7E	0.7E	0.5E	2.9E
2024	2.2E	20E	25E	35E	82.2E

Earnings per share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2021	N/A	-0.39A	-0.71A	0.45A	-1.48A
2022	-0.06A	-0.24A	-0.15E	-0.14E	-0.59E
2023	-0.20E	-0.21E	-0.21E	-0.20E	-0.82E
2024	-0.10E	0.50E	0.55E	0.43E	1.38E

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Latest Developments

- In September the company announced the initiation of the previously planned second human abuse potential study of PF614-04.
    - PF614 is a chemically modified oxycodone that requires exposure to the digestive enzyme trypsin, which in the small intestine, to activate severe pain relief.
    - The study is designed to test and confirm that PF614 has less potential for "drug liking" versus immediate release oxycodone at equivalent drug dosages.
    - Results are expected in early 2023.

- The company was invited to present at the LD Micro Main Event in October, allowing the company to tell its compelling story to a variant of investors.
    - The CEO reiterated the company's goal of becoming the next generation of prescription pain killers.
    - Noted that the company is in discussions with the FDA about a Phase 3 trial for PF614.
        - Also using the technology developed for PF614 for other potential treatments for infectious and respiratory conditions.
        - The company also emphasized that when Oxycontin is crushed, the drug releases in the body much more rapidly—leading to addictions—whereas PF614's drug release is unchanged by crushing.
        - Found that PF614, in a human clinical trial, had a longer effective pain relief period than oxycodone.
    - Noted PF614 can be dissolved in water and maintain its pain relief and abuse deterrent characteristics.
        - Can be taken with or without food.

- Also addressed MPAR technology designed to prevent overdose.
    - Human trial data released in May 2022 indicated that MPAR was effective is preventing overdosing.

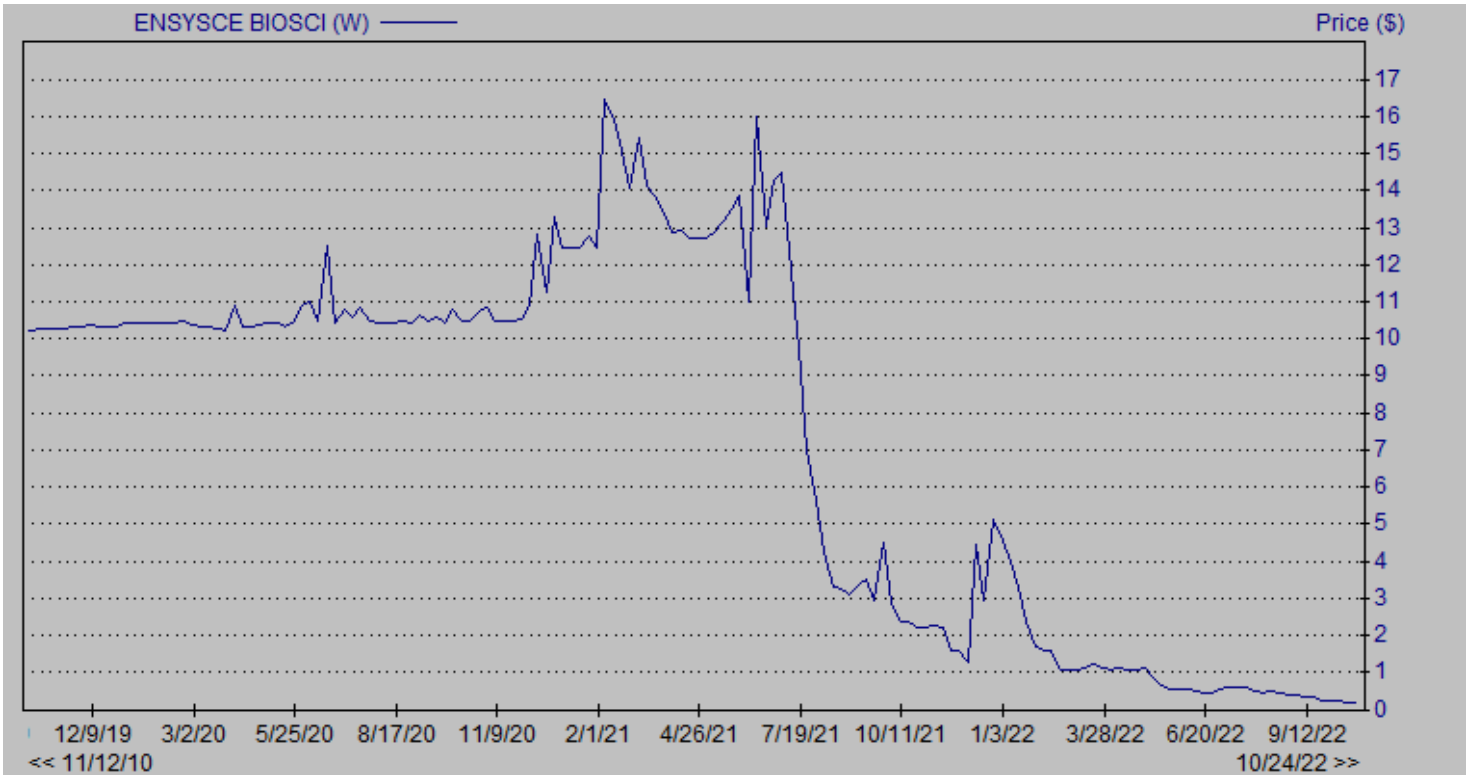
- Intranasal human abuse study data is expected in Q4 2022.

- Oral human abuse study data is expected in Q1 2023.

- The company is continuing to discuss potential strategic partnerships but has current plans to take their products to commercialization.

These developments, in our view, continue to bolster the case for investing in Ensysce Biosciences and further supports our enthusiasm for a company pursuing a technology meant to tackle the scourge of opioid addiction. We are anxiously awaiting further results from the ongoing trials and, at this point, are expecting those results to reveal more positive results—further bolstering the investment case for Ensysce.

HISTORICAL STOCK PRICE



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