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Zacks Small-Cap Research

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Brad Sorensen, CFA
312-265-9574
bsorensen@zacks.com

scr.zacks.com

10 S. Riverside Plaza, Chicago, IL 60606

Longeveron Inc (LGVN-NASDAQ)

LGVN: Positive results for a fatal heart disease, and a more positive FDA may help Alzheimer's treatment path.

LGVN is a clinical stage biotech company that is using cutting edge cellular technology to treat a rare heart disease and the impacts of aging. We reiterate our $20.00 valuation on LGVN using the discounted cash flow model.

OUTLOOK

Longeveron published data from the Phase I trial of Lomecel-B for hypoplastic left heart syndrome (HLHS), which is a life-threatening condition affecting infants.

Along with those positive results, we are pleased that the FDA recently approved the first new Alzheimer's treatment since 2003 and believe it shows the FDA is more open to treatments such as Lomecel-B for Alzheimer's.

Current Price (01/18/23)	$3.91
Valuation	**$20.00**

SUMMARY DATA

52-Week High	**$15.61**
52-Week Low	**$2.81**
One-Year Return (%)	**-47.31**
Beta	**0.65**
Average Daily Volume (sh)	**84,120**
Shares Outstanding (mil)	**21**
Market Capitalization ($mil)	**$82**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**2**
Insider Ownership (%)	**42**
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	**-4.9**
P/E using 2023 Estimate	**-5.3**
Zacks Rank	**N/A**

Risk Level	**Above Average**
Type of Stock	**Small-Growth**
Industry	**Med-Biomed**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2021	0.4 A	0.5 A	0.2 A	0.2 A	1.4 A
2022	0.4 A	0.5 A	0.3 A	0.4 E	1.2 E
2023	0.3 E	0.4 E	0.4 E	0.3 E	1.4 E
2024	0.3 E	0.3 E	0.4 E	0.3 E	1.3 E

Earnings per share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2021	-$0.18 A	-$0.26 A	-$0.25 A	-$0.20 A	-$0.90 A
2022	-$0.17 A	-$0.27 A	-$0.25 A	-$0.10 E	-$0.75 E
2023	-$0.19 E	-$0.20 E	-$0.18 E	-$0.17 E	-$0.74 E
2024	-$0.17 E	-$0.19 E	-$0.16 E	-$0.22 E	-$0.74 E

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Updates

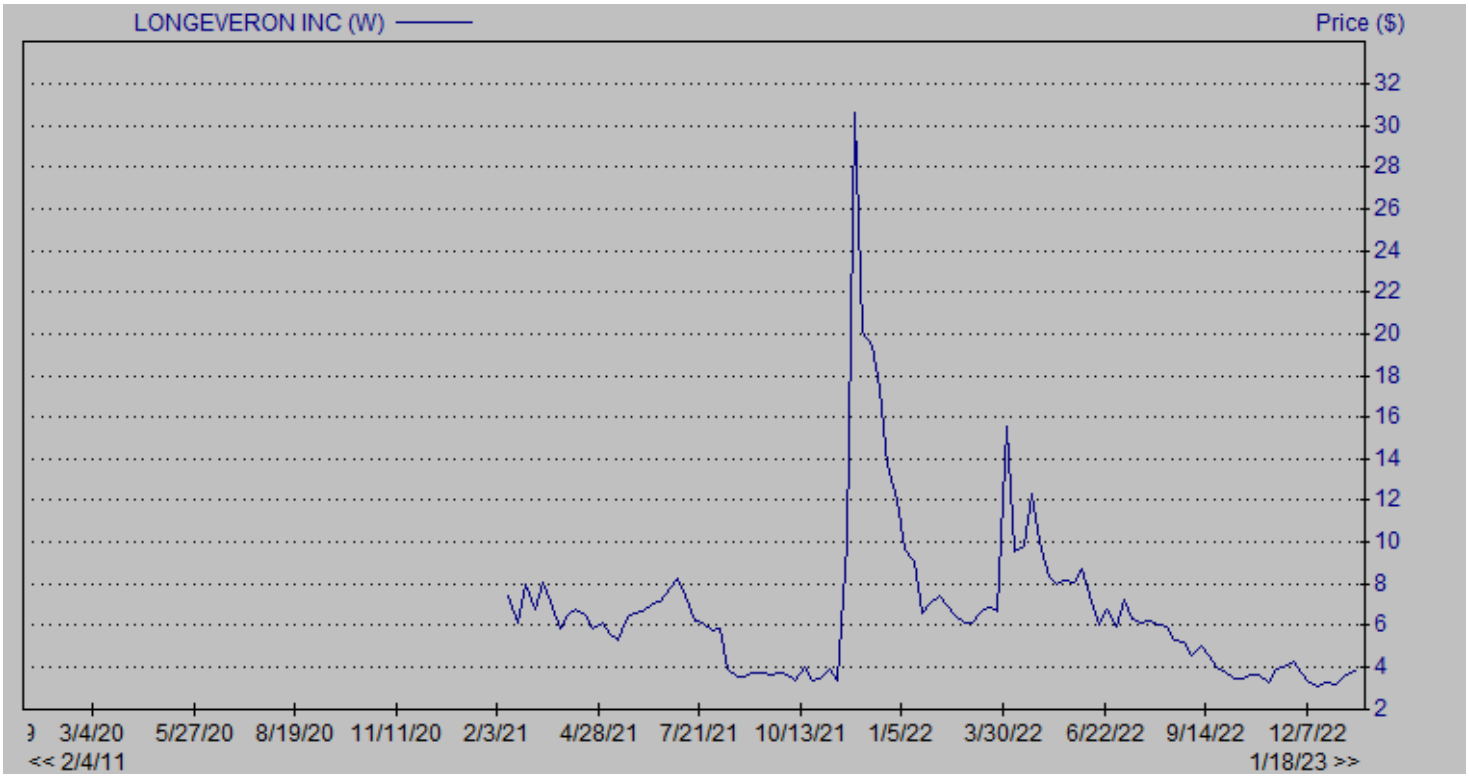
- Longeveron announced the publication of final data from a Phase I Trial of the company's signature treatment, Lomecel-B, in the treatment of hyploplastic left heart syndrome (HLHS).
    - HLHS is a condition that is rare and life threatening the occurs in infants and for which the current treatment is major heart surgeries in the first five years of life.
        - Early mortality is extremely high in this population.
    - The company believes that Lomecel-B may be able to improve outcomes by strengthening heart muscle.
    - Phase I data showed the Lomecel-B was safe and well tolerated in babies undergoing heart surgery in the first 6 months of life.
    - In a sub-study of 6 babies, Lomecel-B was still persistent and active one week after injection.

- Alzheimer's Disease
    - We continue to believe that the use of Lomecel-B in the treatment of Alzheimer's Disease is among the most promising developments for Longeveron.
    - The FDA recently approved the first new treatment for Alzheimer's since 2003.
    - Publicity around Alzheimer's treatments has increased over the past year and, we believe, is putting increasing pressure on the FDA to move more quickly to approve potential treatments.
        - We believe this can only help Lomecel-B as it moves along the approval path.
        - Lomecel-B is currently in a Phase 2 trial, with study completion anticipated in September 2023.

Summary

We continue to believe that Longeveron is an exciting clinical-stage company and investors aren't appropriately appreciating the game-changing potential Lomecel-B may be able to have on multiple serious medical conditions. We also believe that the company is well managed, evidenced by the good funding position the company is in and way the company has moved the company's treatment through the FDA process. As a result of persistent and competent management and solid science the company is moving consistently forward and we believe that Lomecel-B will ultimately have a substantial impact on the health situations of thousands of patients. Our price target remains what we believe to be a somewhat conservative $20.00 per share, which is well below the recent trading range as we believe investors aren't appreciating the potential of Lomecel-B's commercialization and believe patient investors will be rewarded.

HISTORICAL STOCK PRICE



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