

Zacks Small-Cap Research

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Brad Sorensen

312-265-9574

bsorensen@zacks.com

scr.zacks.com

10 S. Riverside Plaza, Chicago, IL 60606

Ensysce Biosciences

(ENSC-NASDAQ)

ENSC: Now is the Time to Invest.

OUTLOOK

ENSC is a clinical stage pharmaceutical company dedicated to bringing a novel opioid to the market that resists the addictive properties that have plagued society.

Ensyesce 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 Ensyesce is in the process of receiving approval for an abuse-resistant yet still pain-relieving opioid.

The company is moving its testing process along and we believe now is the time to invest, ahead of what we believe will be positive test results.

Current Price (03/21/23) **\$0.55**
Valuation **\$3.65**

SUMMARY DATA

52-Week High **\$28.80**
52-Week Low **\$0.48**
One-Year Return (%) **-97.73**
Beta **0.59**
Average Daily Volume (sh) **1,492,438**

Shares Outstanding (mil) **15**
Market Capitalization (\$mil) **\$8**
Short Interest Ratio (days) **N/A**
Institutional Ownership (%) **N/A**
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 2023 Estimate **-0.1**
P/E using 2024 Estimate **-0.1**

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	0.3A	1.5E	2.6E
2023	0.6E	0.7E	0.8E	0.8E	2.9E
2024	0.5E	0.5E	0.6E	0.6E	2.2E

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	-5.13A	-3.51E	-4.76E*
2023	-1.75E	-2.00E	-1.25E	-1.09E	-6.09E
2024	-1.00E	-1.25E	-1.25E	-1.35E	-4.85E

*quarters don't add to yearly total in 2022 due to reverse stock split and share issuance.

Company Update

Encysce Biosciences has been one of the companies that we cover that we believe most of America is hoping is successful. The opioid crisis remains a plague on the American public and is destroying families and whole communities. The National Institute on Drug Abuse reported more than 106,000 overdose deaths in 2021—and that doesn't count the million of family members and friends impacted by those deaths. Encysce has extremely promising technology that aims to eliminate the ability to overdose or abuse the pain reliever, while still providing the much-needed pain relief that many Americans need.

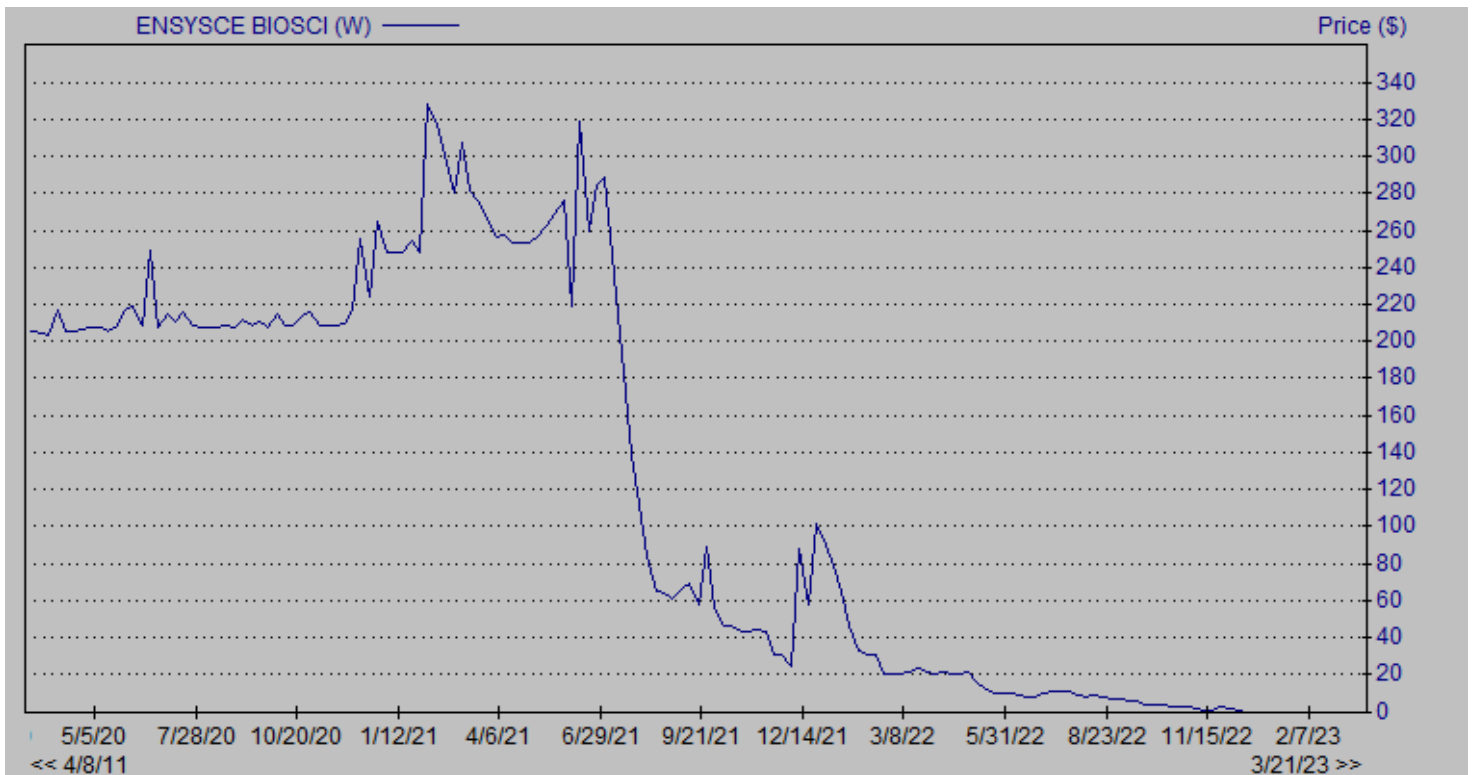
The company recently announced that it had completed enrollment in the final stage of the Phase I study of PF614-MPAR. This product is a combination product designed to limit the ability of people to overdose on the opioid. The company's lead product, PF614, features the company's TAAP (Trypsin-Activated Abuse Protection), which requires the digestive enzyme trypsin to be activated. This prevents the ability of a user to achieve a greater reaction by injecting, chewing or snorting the drug. The company is focused on opioid abuse but this technology could be used in virtually all prescription drugs. It should also be noted that testing has shown that PF614 provides over 12 hours of pain relief, which the company notes is 30% longer than abuse-deterrent opioid products already on the market. Additionally, these current abuse-deterrent products are still able to be crushed, chewed or injected—spiking blood levels of the opioid and resulting in a euphoric rush.

The full deterrent for abuse occurs when the PF614 technology is coupled with the company's MPAR technology. The MPAR technology allows trypsin to digest and activate the opioid up the prescribed level. Beyond that level, either through an intentional or accidental overdose, MPAR inhibits trypsin, preventing the activation of the opioid beyond the prescribed level.

A comment from the primary doctor, Dr. Maria Bermudez, in charge of the trials employed by the company tasked with performing the Phase I study, Quotient Sciences, probably tells the story better than anything else. The doctor recently noted, "This is the most interesting Phase 1 study I have been involved with. I have been impressed by the positive data that has been generated, it is encouraging to be able to contribute to a solution to one of this century's biggest health crises. I look forward to the final results from the study."

Further data from the trial is expected to be released in 2Q 2023 and we suggest investors take a good look at ENSC ahead of that release. The market for biotechnology stocks has been a rough one lately but we believe the technology being advanced by Encysce has enormously important potential for the American public—and for investors with a higher tolerance for risk and volatility in the near term, ENSC is a stock worth looking at.

HISTORICAL STOCK PRICE



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