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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: Annual Report Highlight Progress

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.

Current Price (03/14/24)	$0.75
Valuation	**$17.50**

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 released its annual report for 2023, which again shows the great progress the company is making in moving toward its goal of providing a much-needed opioid alternative.

SUMMARY DATA

52-Week High	**$8.58**
52-Week Low	**$0.73**
One-Year Return (%)	**-91.26**
Beta	**0.78**
Average Daily Volume (sh)	**259,550**
Shares Outstanding (mil)	**3**
Market Capitalization ($mil)	**$2**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**31**
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	**N/A**
P/E using 2024 Estimate	**N/A**
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)
2022	0.6A	0.2A	0.3A	1.4A	2.5A
2023	0.8A	0.5A	0.4A	0.3E	2.0E
2024	0.5E	0.5E	0.5E	0.6E	2.1E
2025	0.5E	0.5E	0.6E	0.6E	2.2E

Earnings per share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2022	-0.06A	-0.24A	-5.13A	-2.55A	-1.48A
2023	-2.08A	-0.98A	-0.87A	-0.93E	11.62A
2024	-1.05E	-1.10E	-1.10E	-1.05E	-4.30E
2025	-1.05E	-1.09E	-1.07E	-1.08E	-4.29E

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

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Update

Ensysce Biosciences (ENSC) released its 2023 annual report and reiterated the positive results seen throughout the year that we have previously reported on. Some highlights:

- Cash ended the year at $1.1 million but since, as we've noted, the company has added $2.1 million from the exercise of warrants and, in a separate transaction, added another $4.7 million.
    - Cash available to clinical stage companies is one of the most important factors to consider and ENSC has proven the ability to fund its operations on an ongoing basis, which increases our confidence that the company will be able to bring these important drugs to the commercialization stage.
- The company received $2.2 million in Federal grants for 2023, indicating again the importance of the work that ENSC is doing.
- Administrative expenses fell from $6.9 million in 2022 to $5.4 million.
    - We are also impressed with the expense discipline we've seen at ENSC, reinforcing our belief that company management is committed to providing much needed opioid relief to the country.

We aren't going to rehash recent reports that have outlined the positive test results for PF614 and PF614-MPAR. But, as a reminder, these tests have shown that PF614 can provide the much-needed pain relief that is currently available through the highly abused oxycodone, while having abuse resistant properties and lasting longer. Additionally, PF-614-MPAR received an FDA grant of Breakthrough Therapy designation, which allows ENSC the opportunity to accelerate clinical programs and commercialization plans. The grant, which has been applied to fewer than 300 drugs historically, illustrates the importance and urgency that these solutions are needed. We are again reiterating our belief that the treatments being developed by Ensysce will be game changers in the pain relief market and again suggest that investors take a strong look at ENSC.

PF614-MPAR has been shown in testing to have the potential to provide much needed pain relief to patients and provides protections against taking too many pills, which often leads to debilitating addiction. The technology involved causes the drug to become inactive when dosing requirements are exceeded—greatly diminishing the "incentive" patients may have to take more than the prescribed dose.

Ensysce Biosciences continues to be one of the companies that we cover that we believe most of America would hope is successful and one we are becoming more convinced will achieve its goals. The opioid crisis remains a plague on the American public and is destroying families and entire communities. The National Institute on Drug Abuse reported more than 107,000 overdose deaths in 2022—and that doesn't count the millions of family members and friends impacted by those deaths. Ensysce has extremely promising technology in the form of PF614 and PF614-MPAR that are abuse resistant, while still providing the much-needed pain relief that many Americans need with a longer lasting dose than its bioequivalent OxyContin.

Our confidence in the ultimate approval of these important drugs continues to grow as the company recently added the BTD designation for PF614-MPAR to the Fast Track designation already received for PF614 and continues to obtain the financing needed, as noted above, to continue the testing process. Events such as the BTD designation can happen quickly and without notice, illustrating

why we have been suggesting investors look into ENSC before these events occur. Major tests are coming in the not-to-distant future, and we believe, based on the data we've seen from earlier tests, that the results will be quite positive and propel the stock higher.

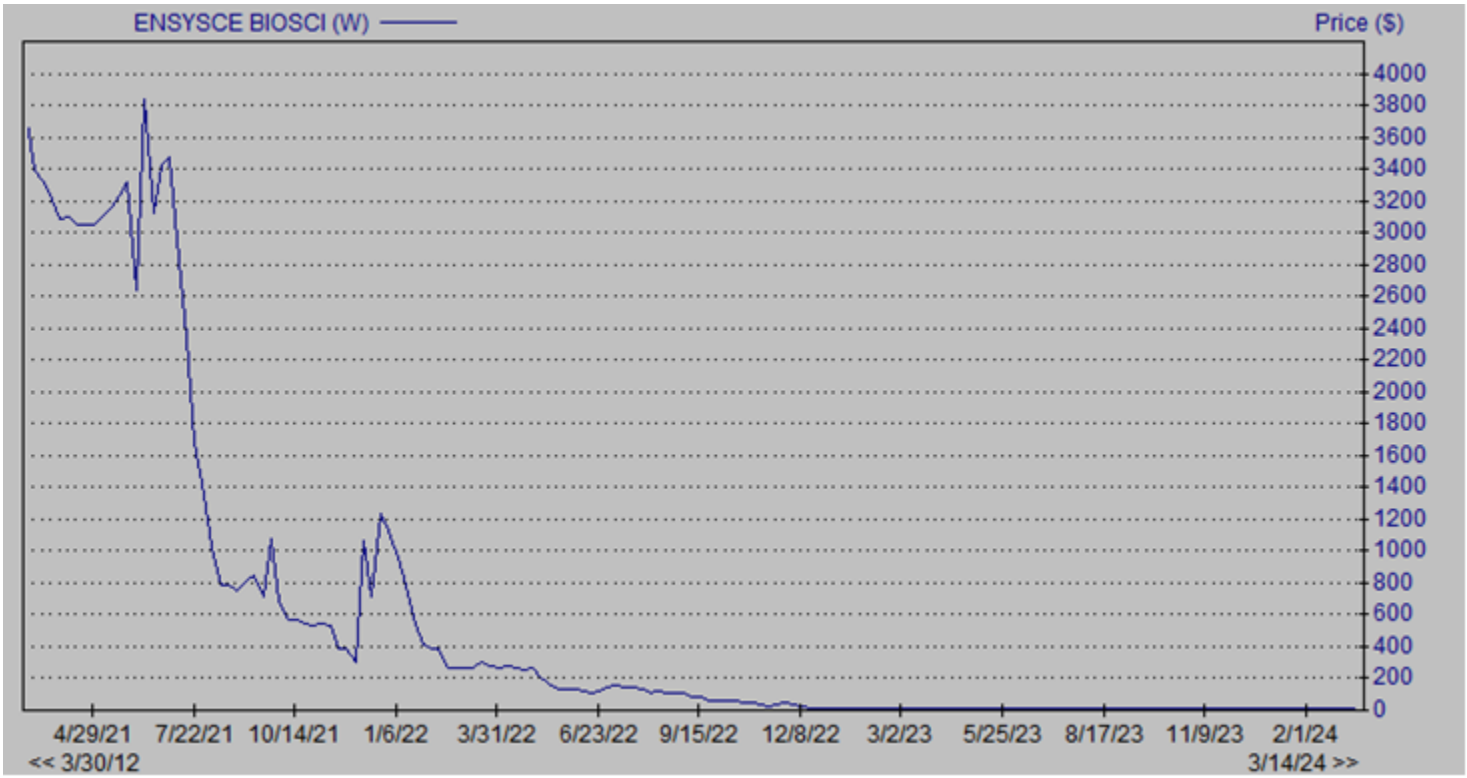
PROJECTED INCOME STATEMENT & BALANCE SHEET

Ensysce Biosciences

Income Statement and Balance Sheet

		03/2023A	06/2023A	09/2023E	12/2023A	12/2024E	12/2025E	12/2026E
Income								
	Federal Grants	789,635	490,472	435,380	515,032	2,060,128	2,200,000	0
	Sales	0	0	0	0	0	0	80,000,000
Operating Expenses								
	COGS	0	0	0	0	0	0	(12,800,000)
	R&D	(1,796,015)	(1,643,726)	(1,914,970)	(2,232,760)	(8,931,040)	(9,377,592)	(9,846,472)
Other	Sales/Marketing	0	0	0	0	0	0	(8,000,000)
	Admin/general/other	(1,554,855)	(1,086,048)	(1,211,216)	(1,786,633)	(7,146,532)	(7,503,859)	(7,879,052)
	Adjustments to net income	369,429	0	0	0	0	0	0
Gain/loss		(2,191,806)	(2,239,302)	(2,690,806)	(3,504,361)	(14,017,444)	(14,681,451)	62,274,477
Loss attributable to noncontrolling interest		3,941	7,060	1,235	66			
Deemed div. related to warrants down round pr		(8,309)	(3,729)					
Shares		1,054,202	2,274,113	3,085,873	3,101,146	3,256,203	3,419,013	3,589,964
Per share		($2.08)	($0.98)	($0.87)	($1.13)	($4.30)	($4.29)	$17.35
Assets								
	Cash	1,415,765	3,829,482	1,464,381	1,123,604	1,179,784	1,238,773	1,300,712
	Other	2,499,097	2,528,141	1,754,305	1,584,481	1,663,705	1,746,890	1,834,235
Total Assets		3,914,862	6,357,623	3,218,686	2,708,085	2,843,489	2,985,664	3,134,947
Liabilities								
	Accounts Payable	1,598,166	1,274,629	916,416	1,936,007	1,994,087	2,053,910	2,115,527
	Other liabilities	2,377,802	1,242,491	1,114,122	1,396,957	1,438,866	1,482,032	1,526,493
Long-term liabilities		91,318	47,696	30,473	26,388	27,180	27,995	28,835
Total liabilities		4,067,286	2,564,816	2,061,011	3,359,352	3,460,133	3,563,937	3,670,855
Shareholder deficit/surplus		(152,424)	3,792,807	1,157,675	(651,267)	(616,643)	(578,273)	(535,908)
Total liabilities and shareholder equity		3,914,862	6,357,623	3,218,686	2,708,085	2,843,489	2,985,664	3,134,947

HISTORICAL STOCK PRICE



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