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Zacks Small-Cap Research

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Longeveron Inc (LGVN-NASDAQ)

LGVN: Approaching Major Inflection Point

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 place a value of $10.45 on LGVN using the discounted cash flow model.

Current Price (08/12/26)	$0.75
Valuation	**$10.45**

OUTLOOK

Longeveron is focusing on using its primary treatment, laromestrocel, to fight a rare pediatric heart birth defect that devastates families and continues to receive good FDA news regarding its treatment for Alzheimer's Disease, while also expanding its pipeline.

The company released 2Q2026 earnings and noted that important trial results should be available in September 2026, which we believe could be an inflection point for the company.

SUMMARY DATA

52-Week High	**$1.16**
52-Week Low	**$0.48**
One-Year Return (%)	**-13.15**
Beta	**-0.31**
Average Daily Volume (sh)	**345,173**
Shares Outstanding (mil)	**31**
Market Capitalization ($mil)	**$23**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**10**
Insider Ownership (%)	**7**
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	**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)
2023	0.3 A	0.2 A	0.2 A	0.0 A	0.7 A
2024	0.5 A	0.5 A	0.8 A	0.6 A	2.3 A
2025	0.4 A	0.3 A	0.1 A	0.3 A	1.2 A
2026	0.4 A	0.3 A	0.8 E	0.9 E	2.4 E

Earnings per share*

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	-$0.22 A	-$0.27 A	-$0.28 A	-$0.25 A	-$1.02 A
2024	-$1.61 A	-$1.83 A	-$0.34 A	-$0.48 A	-$2.26 A
2025	-$0.34 A	-$0.33 A	-$0.39 A	-$0.31 A	-$1.29 A
2026	-$0.19 A	-$0.19 A	-$0.17 E	-$0.17 E	-$0.72 E

*quarterly numbers may not add to annual due to rounding and share issuance.

Update

Longeveron (NASDAQ: LGVN) is entering what may be the most consequential period in its history. The clinical-stage biotechnology company is developing laromestrocel, a proprietary allogeneic cell therapy derived from bone marrow mesenchymal stem cells from young, healthy adult donors. Rather than relying on separate drugs for each disease, Longeveron is attempting to demonstrate that laromestrocel's combination of pro-vascular, regenerative, anti-inflammatory and tissue-repair effects can address several serious diseases associated with cardiac damage, neurodegeneration and aging. The company currently has four principal development programs: hypoplastic left heart syndrome (HLHS), pediatric dilated cardiomyopathy (PDCM), Alzheimer's disease and aging-related frailty.

The investment case has become particularly timely following Longeveron's August 12 second-quarter update. CEO Stephen Willard described the company as approaching "a series of potentially transformative milestones" across its four development programs. Most importantly, management now expects top-line results from the Phase 2b ELPIS II study in HLHS in September 2026, putting LGVN within weeks of a clinical event that could materially change investors' perception of both laromestrocel and the company.

HLHS: The Near-Term Value Driver

Hypoplastic left heart syndrome is a rare and potentially fatal congenital heart defect in which the left side of an infant's heart is severely underdeveloped. Treatment currently requires a series of complex reconstructive surgeries beginning shortly after birth. Laromestrocel is being developed not as a replacement for surgery, but as an adjunct treatment designed to potentially strengthen cardiac function and improve outcomes following surgical reconstruction.

Longeveron has progressed this program to the randomized, controlled Phase 2b ELPIS II trial, making HLHS its most advanced and, in the near term, potentially most valuable program. Importantly, the FDA has granted laromestrocel Orphan Drug, Fast Track and Rare Pediatric Disease designations for HLHS. The trial is also being conducted in collaboration with the National Heart, Lung, and Blood Institute through NIH grants, providing an additional degree of external support for the program.

The upcoming September readout represents a particularly significant potential inflection point. ELPIS II follows the earlier Phase 1 ELPIS study and is designed to compare laromestrocel plus standard-of-care surgery with surgery alone. The FDA has previously held Type C meetings with Longeveron concerning the development and regulatory pathway, and the company reported in May that the independent Data Monitoring Committee had completed its final prespecified review of ELPIS II, identified no safety concerns and allowed the study to continue unchanged through completion.

In our view, positive Phase 2b results would do more than validate the HLHS program. They could strengthen the argument that laromestrocel produces clinically meaningful regenerative effects in damaged cardiac tissue, potentially increase the value of the program to prospective pharmaceutical partners and provide important support for discussions with the FDA concerning the next regulatory steps.

Pediatric Dilated Cardiomyopathy: A Second Pediatric Cardiac Opportunity

The PDCM program gives Longeveron another opportunity to apply laromestrocel to severe pediatric heart disease. Pediatric dilated cardiomyopathy causes enlargement and weakening of the heart

muscle, severely reducing the heart's ability to pump blood. Longeveron notes that nearly 40% of affected children require a heart transplant or die within two years of diagnosis.
This program has already achieved an important regulatory milestone. The FDA allowed Longeveron's IND to become effective in July 2025, permitting the company to move directly into a single Phase 2 registrational study. Longeveron currently expects to initiate that trial in 2027, with trial planning and preparation taking place during 2026.

The significance for shareholders is that PDCM potentially extends the company's pediatric cardiovascular franchise beyond HLHS. If ELPIS II produces encouraging results, the clinical and mechanistic read-through to the PDCM program could become considerably more interesting.

Alzheimer's Disease: Positive Phase 2a Data and a Defined Regulatory Path

Longeveron has also generated meaningful human clinical data in mild Alzheimer's disease through its Phase 2a CLEAR MIND trial. Results have shown a favorable safety profile and encouraging signals across clinical, imaging and biomarker measures. The findings were published in *Nature Medicine* in 2025, providing important third-party scientific validation.

More recently, additional CLEAR MIND data presented at the Alzheimer's Association International Conference in July 2026 indicated that laromestrocel reduced neuroinflammation in patients with mild Alzheimer's disease. This is potentially significant because neuroinflammation is believed to contribute to Alzheimer's progression and provides biological support for laromestrocel's proposed anti-inflammatory mechanism.

The program is now beyond Phase 2a and positioned for its next major development study. Following discussions with the FDA, Longeveron reported tentative alignment on the design, population and endpoints of a single Phase 2/3 trial that, if successful, could potentially support a Biologics License Application. Laromestrocel has received both RMAT and Fast Track designations for mild Alzheimer's disease. Rather than financing the next large Alzheimer's trial entirely itself, Longeveron is actively pursuing strategic collaborations and partnerships, potentially allowing it to preserve capital while retaining exposure to a very large commercial opportunity.

Aging-Related Frailty: Phase 2b Success Leads to XPRIZE Recognition

Aging-related frailty is the fourth major program and has recently become increasingly important. Laromestrocel has already completed a Phase 2b clinical trial in this indication. Results published in *Cell Stem Cell* in February 2026 indicated that intravenous laromestrocel improved the physical condition of patients with age-related clinical frailty after nine months compared with placebo. Those results have now led to an important external endorsement. On August 11, Longeveron announced that it had been selected as a Finalist Team and Milestone 2 Awardee in the $101 million XPRIZE Healthspan competition, selected from more than 600 projects submitted globally. Longeveron will receive a $1 million Milestone 2 Award toward the clinical trial required for the competition and will have the opportunity to compete for a Grand Prize of as much as $81 million, subject to completion and financing of the required clinical trial.

The XPRIZE recognition is significant beyond the $1 million award. The competition is designed to identify therapies capable of improving muscle, cognitive and immune function in older adults. Longeveron's advancement to the finalist stage provides independent recognition of the scientific and clinical work behind laromestrocel and potentially raises the program's visibility with investors, pharmaceutical companies and other potential partners.

Second-Quarter Financial Results

Longeveron's second-quarter numbers are characteristic of a clinical-stage biotechnology company: near-term valuation is far more dependent on clinical success than current revenue. Nevertheless, several aspects of the quarter are encouraging.

Revenue was approximately $0.3 million, primarily from the Bahamas Registry Trial. Although revenue declined by roughly $29,000, or 10%, year over year, gross profit actually increased approximately 25% to $0.2 million, reflecting lower cost of revenues. Research and development spending increased 7% to $3.2 million, with the increase attributable in part to clinical trial expenses associated with preparing for the September ELPIS II data readout. In this context, higher R&D spending is viewed by us as investment in the company's most important near-term catalyst rather than deterioration in the underlying business.

The net loss was $6.1 million compared with $5.0 million a year earlier, while cash and cash equivalents totaled $10.1 million as of June 30. Management believes existing resources can fund operations into the fourth quarter of 2026 under its current operating plan and continues to pursue additional financing as well as non-dilutive funding.

At the same time, the company's increasing emphasis on partnerships and non-dilutive sources of capital could become increasingly important. Longeveron met with pharmaceutical executives at the BIO International Convention in June to explore strategic opportunities covering its four programs, and the $1 million XPRIZE award is an example of capital supporting development without conventional equity dilution.

Investment Outlook: September Could Change the Story

We believe the central attraction of LGVN at this stage is the relationship between its relatively small corporate scale and the breadth and maturity of the clinical opportunities surrounding a single therapeutic platform. Laromestrocel has generated clinical data in Alzheimer's disease and aging-related frailty, has reached a pivotal Phase 2b study in HLHS, and has FDA clearance to advance directly into a Phase 2 registrational study in pediatric dilated cardiomyopathy. Scientific publications in *Nature Medicine* and *Cell Stem Cell*, five FDA designations across the HLHS and Alzheimer's programs, NIH involvement in ELPIS II and now finalist status in XPRIZE Healthspan collectively provide outside validation that is unusual for a biotechnology company of Longeveron's size.

But the September ELPIS II readout is the event that could bring the investment story into much sharper focus.

If Phase 2b results demonstrate a convincing clinical benefit in HLHS, investors would potentially be looking at a company with positive late-stage clinical evidence in a serious rare pediatric disease, encouraging Phase 2a Alzheimer's results, successful Phase 2b aging-frailty data and an additional registrational-stage pediatric cardiac opportunity waiting in the wings. Positive ELPIS II data could also materially improve Longeveron's negotiating position in licensing and strategic-partnership discussions.

That makes the next several weeks unusually important. LGVN remains a speculative biotechnology investment with substantial clinical, regulatory, financing and dilution risks. Yet the company is no longer simply asking investors to value early-stage scientific promise. It has accumulated meaningful human clinical evidence, peer-reviewed publications, FDA designations and external validation, and it is now approaching a Phase 2b HLHS result that could provide the strongest validation of the laromestrocel platform to date.

For investors comfortable with clinical-stage biotechnology risk, the combination of the September HLHS catalyst, XPRIZE recognition, established Alzheimer's and aging-frailty data, and a growing

pediatric cardiovascular franchise makes Longeveron a particularly interesting company in our view to watch and consider investing in as it approaches what could be a defining inflection point.
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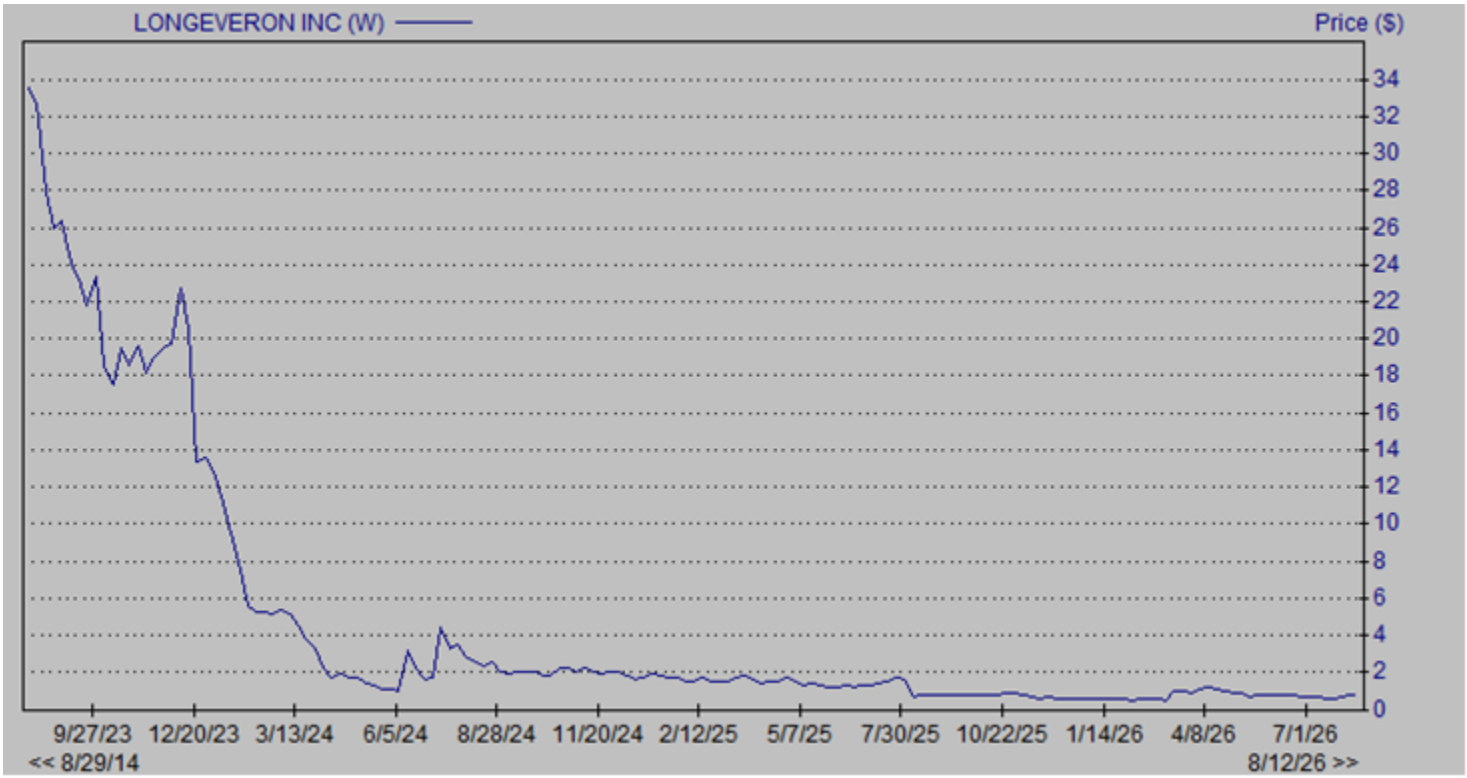
PROJECTED INCOME STATEMENT & BALANCE SHEET

Longeveron Income Statement and Balance Sheet

(US $ in thousands, except per share data)

		1Q2025A	2Q2025A	3Q2025A	4Q2025A	1Q2026A	2Q2026A	3Q2026E	4Q2026E	2027E	2028E
Revenues											
	Sales	0	0	0	0	0	0	0	0	1000	1500
	Grant Revenue	0	0	0	0	0	0	0	0	0	0
	Clinical Trial Revenue	259	298	100	297	378	287	210	527	1188	1212
	Contract Manufacture Revenue	122	18	37	45	20	0	563	407	180	184
Total Revenues		381	316	137	342	398	287	773	934	2,368	2,895
	Cost of Revenues	106	170	12	108	134	105	91	178	1302	1592
Gross Profit		275	146	125	234	264	182	682	756	1,066	1,303
Operating Expenses											
	General and administrative	2,941	2,589	3,583	2,936	2,720	3,159	3,222	3,287	11,744	12,096
	Research and development	2,515	2,954	3,852	2,720	2,319	3,194	3,290	3,389	10,880	11,206
	Selling and marketing	0	0	0	0	0	0	0	0	0	0
Total operating expenses		5,456	5,543	7,435	5,656	5,039	6,353	6,512	6,675	22,624	23,303
Loss from operations		(5,181)	(5,397)	(7,310)	(5,422)	(4,775)	(6,171)	(5,830)	(5,919)	(21,558)	(22,000)
Other income and (expenses)											
	Interest expense	0	0	0	0	0	0	0	0	0	0
	Other income, net	170	369	89	(45)	39	98	230	182	500	550
Total other income and (expenses), net		170	369	89	(45)	39	98	230	182	500	550
Net loss		(5,011)	(5,028)	(7,221)	(5,467)	(4,736)	(6,073)	(5,600)	(5,737)	(21,058)	(21,450)
Dividend attributable to warrant inducement		0	0	0	0	0	0	0	0	0	0
Basic and diluted loss per share		$ (0.34)	$ (0.33)	$ (0.39)	$ (0.31)	$ (0.19)	$ (0.19)	$ (0.17)	$ (0.17)	$ (0.58)	$ (0.56)
Basic and diluted wtd avg common shares		14,950,734	15,013,072	18,373,198	17,576,551	24,786,282	31,377,630	32,946,512	34,593,837	36,323,529	38,139,705
Assets											
Current Assets:											
	Cash	14,327	10,334	9,244	4,661	15,758	10,077	8,062	6,449	5,159	4,128
	Securities and other current assets	948	935	1,096	790	1,097	1,246	1,296	1,348	1,402	1,458
Total Current Assets		15,275	11,269	10,340	5,451	16,855	11,323	9,357	7,797	6,561	5,585
Property, Plant and Equipment, net		2,288	2,258	2,122	1,836	1,651	1,602	1,522	1,446	1,374	1,305
Intangible assets, net		2,291	2,321	2,309	2,285	2,238	2,202	2,347	2,401	2,308	2,331
Other assets		994	901	786	689	466	360	378	397	417	438
Total Assets		20,848	16,749	15,557	10,261	21,210	15,487	13,604	12,041	10,659	9,659
Liabilities and stockholder equity											
Current liabilities:											
	Accounts Payable	367	700	1,080	423	293	633	658	685	712	741
	Accrued Expenses	1,647	1,905	3,173	2,969	2,921	2,653	2,706	2,760	2,815	2,872
	Current portion of lease	631	639	647	655	688	581	552	524	498	473
	Short-term note payable	-	-	-	-	-	-	-	-	-	-
	Other current liabilities	-	-	-	-	341	400	-	-	-	-
	Deferred Revenue	79	40	40	40	102	40	118	40	44	48
Total Current Liabilities		2,724	3,284	4,940	4,087	4,345	4,307	4,034	4,009	4,070	4,134
Long-term Liabilities:											
	Long-term loans	-	-	-	-	-	-	-	-	-	-
	Other Liabilities	-	308	315	330	778	778	-	-	-	-
	Lease Liability	966	501	336	169	60	-	60	60	60	60
Total long-term liabilities		966	809	651	499	838	778	60	60	60	60
Total liabilities		3,690	4,093	5,591	4,586	5,183	5,085	4,094	4,069	4,130	4,194
Stockholders Equity											
	Members equity	14	14	19	22	29	31	13	14	7	8
	Additional Paid-in capital	131,762	132,288	136,813	137,964	153,044	153,491	156,561	159,692	162,886	166,144
	Stock Subscription receivable	-	-	1	-	-	-	-	-	4	5
	Accumulated Deficit	(114,618)	(119,646)	(126,867)	(132,311)	(137,047)	(143,120)	(147,063)	(135,901)	(156,367)	(160,691)
Total stockholders equity		17,158	12,656	9,966	5,675	16,026	10,402	9,511	23,805	6,529	5,465
Total liabilities and stockholder equity		20,848	16,749	15,557	10,261	21,210	15,487	13,604	12,041	10,659	9,659

HISTORICAL STOCK PRICE



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