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Longeveron Inc (LGVN-NASDAQ)

LGVN: 3Q Update Provides Upbeat Outlook

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 $4.25 on LGVN using the discounted cash flow model.

Current Price (09/16/26)	$2.79
Valuation	**$4.25**

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 announced financial results from 3Q2026 that indicated the company has many potential options for growing revenues and benefitting shareholders.

SUMMARY DATA

52-Week High	**$11.60**
52-Week Low	**$1.39**
One-Year Return (%)	**-56.94**
Beta	**-0.09**
Average Daily Volume (sh)	**103,073**
Shares Outstanding (mil)	**3**
Market Capitalization ($mil)	**$9**
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	0.1 A	1.6 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	-$1.91 A	-$2.00 E	-$4.29 E

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

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Update

Longeveron's (LGVN) third-quarter 2026 earnings release highlights a company at an important crossroads, with encouraging evidence of clinical benefits from its lead stem cell therapy, an expanding portfolio of potential therapeutic applications, and a renewed management focus on maximizing shareholder value. Although the company's pivotal clinical ambitions encountered a setback during the quarter, which we wrote about before, additional analysis of the trial results revealed potentially meaningful benefits that could help preserve the program's development prospects. At the same time, management is actively pursuing strategic partnerships, financing alternatives, and other corporate opportunities that could provide the resources necessary to advance its promising technology.

Longeveron is a clinical-stage biotechnology company developing cellular therapies for serious, often life-threatening medical conditions. Its principal product candidate, laromestrocel, also known as Lomecel-B, is a proprietary stem cell therapy derived from the bone marrow of healthy young adult donors. These mesenchymal stem cells are believed to have anti-inflammatory, immunomodulatory, and tissue-repair properties that could help treat diseases involving chronic inflammation, tissue damage, and impaired organ function.

The company's development strategy encompasses several potentially attractive therapeutic markets, including Hypoplastic Left Heart Syndrome (HLHS), Pediatric Dilated Cardiomyopathy (PDCM), Alzheimer's disease, and aging-related frailty. While these conditions differ considerably, the potential ability of laromestrocel to influence inflammatory processes and promote tissue repair provides a common scientific foundation for the company's pipeline.

In our view, the most significant development during the third quarter was the release of Phase 2b clinical results in HLHS, followed by additional analysis that revealed an encouraging and statistically significant reduction in certain major adverse cardiac events. These findings provide an important basis for Longeveron's planned discussions with the FDA and could help determine the future of its lead clinical program.

HLHS: Encouraging Clinical Outcomes Despite a Missed Primary Endpoint

HLHS is a rare and devastating congenital heart defect in which the left side of an infant's heart is severely underdeveloped. Because the heart cannot adequately pump oxygen-rich blood throughout the body, affected children typically require a series of complex surgical procedures beginning shortly after birth. Even with surgery, these patients remain at substantial risk of heart failure, transplantation, and premature death.

Longeveron's ELPIS II Phase 2b trial evaluated laromestrocel in 40 infants undergoing Stage II surgical palliation for HLHS. The objective was to determine whether administration of the stem cell therapy alongside surgery could improve cardiac function and clinical outcomes compared with standard surgical care alone.

In September, the company announced that the study had not met its primary efficacy endpoint, which measured the change in right ventricular ejection fraction, an indicator of the heart's pumping ability, at 12 months. The difference between treatment groups was not statistically significant. This represents an important setback because the primary endpoint was intended to provide the central evidence supporting the treatment's effectiveness. However, the subsequent analysis released October 26 presented a more encouraging picture of laromestrocel's potential clinical benefits.

Additional evaluation of a prespecified secondary endpoint found eight major adverse cardiac events in the standard-of-care group compared with just one event in the laromestrocel-treated group, a statistically significant difference with a p-value of 0.043. The treatment also demonstrated a favorable safety and tolerability profile through 12 months, with no treatment-related serious adverse events identified.

These observations are noteworthy to us and investors because major adverse cardiac events represent clinically important outcomes for children with HLHS. While an improvement in an imaging measure such as ejection fraction may provide useful information about heart performance, reducing serious cardiac complications could be particularly meaningful to patients, families, and physicians.

Longeveron has now requested a meeting with the FDA to review the complete trial results and determine the most appropriate path forward. This meeting represents a critical upcoming milestone. A favorable regulatory discussion could potentially establish a development strategy centered on clinically meaningful outcomes, including major adverse cardiac events, survival, or transplant-related measures.

The FDA has already granted laromestrocel Orphan Drug, Fast Track, and Rare Pediatric Disease designations for HLHS. These designations reflect the seriousness of the condition and its unmet medical need, while providing certain regulatory and development incentives. They do not guarantee approval or eliminate the need for convincing efficacy data.

Despite this uncertainty, the encouraging secondary findings suggest the program may still possess meaningful therapeutic potential. Rather than representing the end of laromestrocel's opportunity in HLHS, the trial results create an opportunity to reassess the most appropriate clinical measures and pursue a revised development pathway.

Other Development Programs Provide Additional Opportunities

Beyond HLHS, Longeveron has made meaningful progress in establishing laromestrocel as a potential platform therapy for several other serious medical conditions.

In Pediatric Dilated Cardiomyopathy, a rare condition in which the heart muscle becomes enlarged and weakened, laromestrocel offers a potentially important approach to addressing inflammation and cardiac dysfunction. Nearly 40% of affected children may require a heart transplant or die within two years of diagnosis, illustrating the substantial unmet need.

The FDA allowed Longeveron's Investigational New Drug application for this indication to become effective in July 2025, permitting development through a single Phase 2 trial designed with registrational potential. This provides a potentially attractive development pathway, although the company must still secure the necessary funding and successfully conduct the trial.

Longeveron's Alzheimer's disease program also remains scientifically and commercially interesting. The company has previously reported encouraging findings from clinical investigations of laromestrocel in mild Alzheimer's disease and has received both Regenerative Medicine Advanced Therapy (RMAT) and Fast Track designations from the FDA.

Rather than committing substantial internal capital to a larger Alzheimer's study, management is currently seeking strategic collaborations and partnerships to support continued development. Given the enormous medical and commercial challenges associated with Alzheimer's disease, a successful partnership could allow Longeveron to preserve exposure to this opportunity while limiting its direct financial commitments.

The company's aging-related frailty program also received external recognition during the quarter. In August, Longeveron was selected as one of ten finalist teams in the XPRIZE Healthspan

competition, receiving a $1 million Milestone 2 Award. The competition seeks innovative therapies capable of extending human healthspan by improving physical, cognitive, and immune function. This recognition followed the February 2026 publication of the company's Phase 2b aging-related frailty research in *Cell Stem Cell*. While the XPRIZE selection does not constitute regulatory validation or establish commercial viability, it provides independent scientific visibility, non-dilutive financial support, and an opportunity to compete for additional awards if the required development and financing milestones are achieved.

Taken together, these programs give Longeveron multiple potential avenues for creating value from its cellular therapy platform, even as management prioritizes resources and evaluates the next steps for HLHS.

Financial Results: Lower Losses and Cash Conservation Support the Strategic Review

Longeveron's third-quarter financial results reflect the company's position as a clinical-stage biotechnology developer, where the principal investment value remains tied to its intellectual property, clinical programs, and potential future commercialization rather than current revenues. Revenue totaled approximately $115,000, compared with $137,000 in the third quarter of 2025. The decrease primarily reflected the absence of contract manufacturing revenue. Revenue is not yet a meaningful indicator of the company's commercial potential because laromestrocel remains investigational and has not received marketing approval.

More encouragingly to us, the company reported a 15% reduction in its quarterly net loss, to $6.1 million from $7.2 million in the comparable 2025 period. General and administrative expenses declined approximately 8% to $3.3 million, primarily reflecting reduced personnel-related expenses. Research and development spending remained relatively stable at $4.0 million, compared with $3.9 million a year earlier, as expenditures associated with ELPIS II increased.

The improvement in the net loss was also helped by the $1 million XPRIZE award, which was recorded as other income. Therefore, the reduction in losses should not be interpreted entirely as an improvement in recurring operating efficiency.

As of September 30, Longeveron held approximately $7.2 million in cash and cash equivalents. Management believes that its existing resources, together with newly implemented cash conservation measures, can support operations into the first quarter of 2027.

Strategic Alternatives Could Become an Important Catalyst

Perhaps the most consequential aspect of Longeveron's third-quarter update, beyond the clinical developments, is management's decision to formally explore strategic alternatives designed to maximize shareholder value.

The company has retained Lucid Capital Markets as its financial advisor to evaluate opportunities that could include strategic partnerships, investments, additional financing, a merger, an outright sale, or another business combination.

This process is important because Longeveron possesses several potentially valuable assets but currently lacks the financial resources necessary to independently advance all its development programs.

The combination of an established cellular therapy platform, clinical data across several indications, and multiple FDA designations may attract interest from organizations seeking exposure to regenerative medicine or rare pediatric diseases.

A partnership focused on HLHS or Pediatric Dilated Cardiomyopathy could potentially provide funding for additional clinical trials while allowing Longeveron to retain an economic interest in future development. Similarly, an agreement involving the Alzheimer's or frailty programs could help monetize assets that management cannot currently afford to advance independently.

A broader corporate transaction could also provide access to capital, development capabilities, or complementary technologies.

Investors should distinguish between the potential benefits of these alternatives and the certainty of their realization. No transaction has been announced, and management has provided no definitive timetable. Given the company's limited cash runway, the need for financing could also weaken its negotiating position. Any new equity financing may dilute existing shareholders, while a merger or sale may not necessarily recognize the value investors attribute to the pipeline.

Even with these limitations, initiating a formal strategic review represents a rational approach in our view to protecting shareholder interests and assessing the best way to realize value from the company's scientific assets.

Investment Outlook: Clinical Optionality Meets an Important Strategic Inflection Point
Longeveron's third-quarter update presents an increasingly interesting investment picture. The disappointing primary endpoint results from ELPIS II and the company's constrained financial resources have clearly increased uncertainty. Nevertheless, the additional clinical analysis, ongoing regulatory engagement, diversified development portfolio, and formal strategic review create opportunities for meaningful developments over the coming months.

The most important near-term event will likely be the company's interaction with the FDA regarding the ELPIS II findings. A clearly defined regulatory pathway for HLHS could provide renewed direction for the development program and potentially increase its attractiveness to strategic partners. The statistically significant reduction in major adverse cardiac events offers a scientific basis for those discussions, although additional clinical evidence may ultimately be required.

The company's other development programs also provide potential opportunities. The PDCM program has an effective IND and a proposed registrational development pathway, while the Alzheimer's and frailty programs could attract partners interested in the broader applications of cellular therapies. The XPRIZE recognition offers an additional avenue for scientific visibility and potential funding.

Management's decision to explore strategic alternatives may prove particularly important. For a company with significant research investments and a limited financial runway, a well-structured partnership or corporate transaction could help preserve valuable assets while providing the resources needed to move development forward.

For investors, the positive case for Longeveron is increasingly centered on the potential value of its clinical assets and the opportunity to unlock that value through regulatory progress or a strategic transaction. The company has demonstrated intriguing biological and clinical activity across several indications, and the latest HLHS analysis provides reason to continue evaluating laromestrocel despite the unsuccessful primary endpoint.

PROJECTED INCOME STATEMENT & BALANCE SHEET

Longeveron Income Statement and Balance Sheet											
(US $ in thousands, except per share data)											
		1Q2025A	2Q2025A	3Q2025A	4Q2025A	1Q2026A	2Q2026A	3Q2026A	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	115	622	1188	1212
	Contract Manufacture Revenue	122	18	37	45	20	0	0	970	180	184
Total Revenues		381	316	137	342	398	287	115	1,592	2,368	2,895
	Cost of Revenues	106	170	12	108	134	105	44	225	1302	1592
Gross Profit		275	146	125	234	264	182	71	1,367	1,066	1,303
Operating Expenses											
	General and administrative	2,941	2,589	3,583	2,936	2,720	3,159	3,310	3,376	11,744	12,096
	Research and development	2,515	2,954	3,852	2,720	2,319	3,194	3,958	4,077	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	7,268	7,453	22,624	23,303
Loss from operations		(5,181)	(5,397)	(7,310)	(5,422)	(4,775)	(6,171)	(7,197)	(6,086)	(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	1,062	(650)	500	550
Total other income and (expenses), net		170	369	89	(45)	39	98	1,062	(650)	500	550
Net loss		(5,011)	(5,028)	(7,221)	(5,467)	(4,736)	(6,073)	(6,135)	(6,736)	(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)	$ (1.91)	$ (2.00)	$ (5.95)	$ (5.77)
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	3,211,122	3,371,678	3,540,262	3,717,275
Assets											
Current Assets:											
	Cash	14,327	10,334	9,244	4,661	15,758	10,077	7,245	5,796	4,637	3,709
	Securities and other current assets	948	935	1,096	790	1,097	1,246	904	940	978	1,017
Total Current Assets		15,275	11,269	10,340	5,451	16,855	11,323	8,149	6,736	5,615	4,726
Property, Plant and Equipment, net		2,288	2,258	2,122	1,836	1,651	1,602	1,445	1,373	1,304	1,239
Intangible assets, net		2,291	2,321	2,309	2,285	2,238	2,202	2,167	2,401	2,308	2,331
Other assets		994	901	786	689	466	360	254	267	280	294
Total Assets		20,848	16,749	15,557	10,261	21,210	15,487	12,015	10,777	9,507	8,590
Liabilities and stockholder equity											
Current liabilities:											
	Accounts Payable	367	700	1,080	423	293	633	1,961	2,039	2,121	2,206
	Accrued Expenses	1,647	1,905	3,173	2,969	2,921	2,653	3,714	3,788	3,864	3,941
	Current portion of lease	631	639	647	655	688	581	412	391	372	353
	Short-term note payable	-	-	-	-	-	-	-	-	-	-
	Other current liabilities	-	-	-	-	341	400	400	-	-	-
	Deferred Revenue	79	40	40	40	102	40	40	40	44	48
Total Current Liabilities		2,724	3,284	4,940	4,087	4,345	4,307	6,527	6,259	6,401	6,549
Long-term Liabilities:											
	Long-term loans	-	-	-	-	-	-	-	-	-	-
	Other Liabilities	-	308	315	330	778	778	778	778	778	778
	Lease Liability	966	501	336	169	60	-	-	-	-	-
Total long-term liabilities		966	809	651	499	838	778	778	778	778	778
Total liabilities		3,690	4,093	5,591	4,586	5,183	5,085	7,305	7,037	7,179	7,327
Stockholders Equity											
	Members equity	14	14	19	22	29	31	3	14	7	8
	Additional Paid-in capital	131,762	132,288	136,813	137,964	153,044	153,491	153,962	157,041	160,182	163,386
	Stock Subscription receivable	-	-	1	-	-	-	-	-	4	5
	Accumulated Deficit	(114,618)	(119,646)	(126,867)	(132,311)	(137,047)	(143,120)	(149,255)	(137,483)	(157,865)	(162,135)
Total stockholders equity		17,158	12,656	9,966	5,675	16,026	10,402	4,710	19,572	2,328	1,263
Total liabilities and stockholder equity		20,848	16,749	15,557	10,261	21,210	15,487	12,015	10,777	9,507	8,590

HISTORICAL STOCK PRICE



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