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AEON Biopharma, Inc.

(AEON: NYSE American)

AEON: Third Quarter Results

AEON's valuation relies on a DCF model and a 15% discount rate applied to our cash flow estimates. Additionally, we apply a 75% probability of commercial success to the ABP-450 program. The adjustment recognizes regulatory and commercialization risks. The model includes contributions from the United States and the developed world.

Current Price (11/19/2026)	$0.13
Valuation	**$2.00**

OUTLOOK

AEON Biopharma is a clinical-stage, specialty pharmaceutical company developing a Botox biosimilar. In partnership with Daewoong, it is conducting analytical work to demonstrate biosimilarity for ABP-450. Following a Type 2b meeting with the FDA, we expect PD & bridging studies to support the Section 351(k) BLA package for approval.

AEON has conducted several analytical studies for ABP-450 including those for potency, primary structure & a pilot forced degradation. From a safety perspective, the sponsor benefits from several head-to-head trials with Botox evaluating cervical dystonia & migraine. ABP-450 is equivalent to Jeuveau, which is approved by the FDA for treatment of frown lines.

Botox has been approved since 1989. Best known for treating fine lines & wrinkles, it also addresses 12 therapeutic indications. Despite its time in the market, there is no approved biosimilar, due in part to the complexity of manufacture & requirements for biosecure handling. Changes to the FDA's requirements for biosimilar approval are expected to simplify & accelerate approval of new candidates compared with previous approaches. ABP-450 may benefit from these changes along with market demand for lower priced alternatives.

SUMMARY DATA

52-Week High	**$1.45**
52-Week Low	**$0.11**
One-Year Return (%)	**-85.8**
Beta	**0.5**
Average Daily Volume (sh)	**7,468,385**
Shares Outstanding (mil)	**129.1**
Market Capitalization ($mil)	**17.2**
Short Interest Ratio (days)	**0.4**
Institutional Ownership (%)	**20.2**
Insider Ownership (%)	**46.2**
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 2026 Estimate	**N/A**
P/E using 2027 Estimate	**N/A**
Zacks Rank	**N/A**

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

ZACKS ESTIMATES

Revenue
(In millions of US$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2025	$0.0 A	$0.0 A	$0.0 A	$0.0 A	$0.0 A
2026	$0.0 A	$0.0 A	$0.0 A	$0.0 E	$0.0 E
2027					$0.0 E
2028					$0.0 E

Earnings per Share

	Q1	Q2	Q3	Q4	Year
2025	$2.28 A	-$0.60 A	-$0.39 A	-$2.86 A	-$3.95 A
2026	-$0.29 A	-$0.02 A	$0.03 A	-$0.05 E	-$0.22 E
2027					-$0.17 E
2028					-$0.11 E

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WHAT'S NEW

AEON Biopharma, Inc. (NYSE American: AEON) reported third quarter 2026 financial results in a November 16th press release. During the second half of 2026, the company has raised funds from a public offering and warrant exercise, added an acting Chief Regulatory Officer, compared ABP-450 to Botox with respect to molecular similarity and forced degradation results and received feedback from the FDA Type 2b meeting. Just prior to the third quarter report, AEON announced that it had submitted the investigational new drug (IND) application to run the compound muscle action potential (CMAP) pharmacodynamic (PD) study. It is preparing to launch the PD study along with bridging studies to follow the guidance provided by the FDA in its most recent meeting.

During the third quarter, AEON reported an operating loss of $4.5 million and no revenues. Cash burn in the quarter was $5.7 million offset by $13.7 million of cash from financing. Cash and equivalents stand at $11.4 million with a post quarter end cash infusion of $6.2 million from warrant exercise.

AEON has made steady progress advancing ABP-450 along the path towards FDA approval of biosimilarity. In parallel, the FDA has indicated its willingness to shift its emphasis towards reliance on analytical evidence and less routine, duplicative clinical testing. The most impactful differences address comparative efficacy trials, foreign comparator/ pharmacokinetic (PK) bridging studies and the evidence needed for interchangeability. FDA has also updated analytical-quality and post-approval manufacturing guidance. While the headline changes remain draft recommendations, we anticipate that these changes will streamline the path forward for AEON to advance ABP-450 towards a Biologics License Application (BLA).

With partner Daewoong already manufacturing ABP-450 for Evolus' FDA-approved Jeuveau, we see a competitive advantage from having a partner who is already producing the product and one that has already received FDA approval for an aesthetic indication. Below we summarize the key reasons to own AEON shares:

- **ABP-450 is a potential biosimilar and interchangeable alternative to Botox**
  - **Identical product to already-approved botulinum neurotoxin (BoNT) Jeuveau**
  - **Biosimilar approval may open twelve therapeutic indications to ABP-450 use**
  - **Reduced switching costs vs. non-Botox BoNT alternatives**
  - **License for exclusive rights for therapeutic commercialization in US, Canada, UK & EU**
  - **Approval pathway forward elucidated by FDA Type 2b meeting minutes**
- **Anticipated lower pricing and reimbursement as biosimilar**
  - **Benefits from separate ASP calculation not diluted by aesthetics pricing**
  - **Anticipated lower price vs. branded BoNT alternatives**
- **Partnership with Daewoong**
  - **FDA inspected and assessed manufacturing facility in South Korea**
  - **Actively manufacturing Jeuveau**
  - **Sophisticated biologics facility with biohazard special handling**
  - **Access to four head-to-head clinical studies demonstrating non-inferiority to Botox**
- **ABP-450 approval provides access to $3.5 billion market**
  - **Full label parity with Botox**
  - **Clinical equivalence may allow for interchangeability**
  - **Additional indications possible**
- **Streamlined biosimilar regulatory pathway allows for faster approval & interchangeability**
  - **FDA narrowing the requirements for biosimilar approval**
  - **Potential for interchangeability to be granted along with agency approval**
  - **100% amino acid sequence identity to Botox in 98% of regions analyzed**
  - **High similarity for all five complex proteins between ABP-450 & Botox**
  - **Type 2b meeting outlines elements desired to determine biosimilarity**

2026 Year-to-Date Review

2026 began with AEON holding its Biological Product Development (BPD) Type 2a meeting with the FDA. The gathering later provided AEON with official meeting minutes regarding the company's analytical similarity strategy. The agency noted that the analytical methodologies appeared reasonable and supported advancement of the program toward the compilation of a comprehensive analytical similarity package. AEON received the minutes from the BPD Type 2b meeting in September, which generated targeted advice on biosimilar development including study design and the next phase of development.

Feedback from the Fall 2026 Type 2b meeting fired the starting gun for the filing of an IND, which was announced as complete in early November. We expect to see the subsequent start of a PD study in the first quarter of 2027. Along with the PD study, AEON plans bridging studies for several ABP-450/Botox head-to-head trials conducted by Daewoong. The minutes identify a clear plan to support a 351(k) biosimilars submission. A comparative efficacy study was not recommended at this time but this requirement could change depending on the next tranche of data. The agency has been emphasizing analytical work and only requiring further evidence of similarity when there are unanswered questions.

The FDA agreed in principle with AEON's proposed two-stage design for a comparative pharmacodynamic study using CMAP measurement in the extensor digitorum brevis muscle, consisting of an initial dose-finding stage followed by a comparative pharmacodynamic evaluation and provided recommendations intended to strengthen the study's ability to demonstrate assay sensitivity.

Operating and Financial Results

On November 16th, 2026, AEON reported 3Q:26 financial and operating results and filed its Form 10-Q with the SEC. AEON generated no revenues in 3Q:26 and posted an operating loss of $4.5 million, with expenses rising by 80% largely due to higher compensation expenses. Net income was positive and approximately $2.5 million; however, it was impacted by a non-cash $7.0 million increase in fair value of warrants. For the quarter ending September 30th, 2026 and versus the corresponding prior year quarter:

- Selling, general & administrative expenses totaled $3.0 million, increasing 55% from $1.9 million. The increase was primarily attributable to higher payroll-related expenses, including stock-based compensation and increased headcount, expenses related to the relocation of AEON's corporate office, including $0.3 million related to the impairment of the right-of-use asset for the former office lease and the loss on disposal of fixed assets. These increases were partially offset by lower professional fees, related to the Odeon settlement in the prior year period;
- Research & development expense totaled $1.5 million, up 154% from $0.6 million. The prior year amount was impacted by a $0.6 million gain on the settlement of liabilities from AEON's clinical research organization that offset R&D expenses. Other factors driving the increase include greater payroll-related expenses related to increased headcount partially offset by lower accrued bonus expense;
- Other income of $6.9 million compared to a $2.0 million loss with the difference attributable to a favorable change in fair value of warrants in contrast to a detrimental change in fair value of convertible notes in the prior year period;
- No provision for income taxes was made in either period;
- Net income was $2.5 million or $0.01 per share[1] vs a $4.5 million loss or $0.39 per share.

As of September 30th, 2026, AEON held $11.4 million in cash on its balance sheet and $2.0 million of convertible notes. Cash burn for the first nine months of 2026 was $12.1 million while cash flows from financing were $20.5 million. Financing transactions from a public offering, PIPE financing and an ATM facility contributed to the company's coffers. Following the end of the quarter, AEON received proceeds of approximately $6.2 million from the exercise of milestone warrants. AEON notes in its 3Q:26 10-Q filing that it has sufficient cash to support operations into the second quarter of 2027. The launch of additional studies, preparation for future FDA meetings and any further development of ABP-450 will require additional funding in the form of equity financings or debt.

[1] We note that AEON uses a higher share count to calculate average basic shares outstanding that includes the impact of warrants, common stock options, restricted stock units and assumed converted convertible notes to generate its $0.01 share result.

Pharmacodynamic (CMAP) Study

On September 30th, 2026, AEON issued a press release following the issuance of FDA feedback from its Type 2b meeting with the agency. The release indicated that the company would file an investigational new drug (IND) application for a Compound Muscle Action Potential (CMAP) study that will consist of an initial dose finding portion followed by a comparative pharmacodynamic (PD) evaluation. AEON filed its IND in early November 2026 and should have clearance before year end, assuming the agency has no questions. The study is expected to enroll up to 72 healthy subjects in the first part of the trial followed by 24 healthy subjects participating in the second part. AEON management indicates that this study could cost from $8 to $10 million to complete and would run throughout 2027. The clarity on the path forward lessens the possibility that a more expensive and time-consuming comparative efficacy study would be required later.

The CMAP study is recognized as a standard for evaluating neuromuscular blockade. It measures the drug's physiological effect at the neuromuscular junction by electrically stimulating the nerve and recording the CMAP amplitude. AEON will be conducting the CMAP study in the extensor digitorum brevis muscle. The CMAP is an electrical measurement where a motor nerve is stimulated with a brief electrical pulse through needle or surface electrodes. The stimulus is increased until each motor axon is activated. When BoNT is injected, a drop in amplitude of the electrical waveform indicates neuromuscular blockade. The extensor digitorum brevis is a common target because it is easy to access and safe to weaken in healthy subjects.

The minutes from the FDA meeting further indicated that previous head-to-head studies conducted by Daewoong may be submitted as supportive evidence. Daewoong has conducted comparative clinical studies between ABP-450 and Botox for indications in blepharospasm, upper limb spasticity, glabellar lines and lateral canthal lines. AEON will conduct the necessary bridging work so they may be included in the anticipated filing. As we mention in our initiation, these studies achieved their specified non-inferiority endpoint. If they are appropriately bridged, they may complement the analytical and PD programs by providing additional comparative human evidence supportive of biosimilarity.

Reverse Stock Split[2]

On December 15th, 2026, AEON will hold a special meeting of stockholders to seek authority for a reverse stock split from 1:2 to 1:100. The company is limited to no more than a 1:200 reverse stock split over a two-year period. Since AEON effected a 1:72 reverse split in February 26th, 2025, it is limited to a maximum of a 1:2.78 reverse stock split until after February 26th, 2027.

Milestones

- BPD Type 2a Meeting with FDA – January 2026
- John Bencich appointed CFO – March 2026
- $15.3 million public offering executed – July 2026
- AEON regains compliance with NYSE American listing requirements – August 3rd, 2026
- BPD Type 2b Meeting with FDA – August 2026
- Paul Lee, M.D., Ph.D. appointed as acting Chief Regulatory Officer – August 2026
- IND submission for CMAP pharmacodynamic study – November 2026
- Special meeting of stockholders – December 15th, 2026
- Launch of CMAP pharmacodynamic study – 1Q:27
- Initiate multi-lot, forced degradation comparability study – 1H:27
- Scientific bridging of ABP-450 to Botox - 2027
- BPD Type 3 Meeting – 2027
- BPD Type 4 Meeting - 2027
- Submission of BLA via 351(k) pathway – 2028

[2] On January 16, 2025, the SEC approved a rule amendment to Section 1003 of the Company Guide, which states that if a company effectuated one or more reverse stock splits over the prior two-year period with a cumulative ratio of 200 shares or more to one, then the company would not be eligible for any compliance period and the Exchange would immediately commence suspension of trading and delisting proceedings. Specifically, if a company has effected a reverse stock split and the effectuation of such reverse stock split results in the company's security falling below any of the requirements of Section 1003 of the Company Guide, immediate suspension and delisting procedures would commence.

Summary

AEON reported third quarter 2026 financial results listing $11.4 million of cash on the balance sheet. It burned $5.7 million in the quarter and had a financing cash contribution of $13.7 million predominantly related to proceeds from the issuance of equity shares. Following the end of the quarter, AEON raised an additional $6.2 million in gross proceeds. The most important operational achievement was the return of minutes from the BPD Type 2b meeting with the FDA. The response laid out the agency's feedback on the ABP-450 development plan under the 351(k) pathway. Now that AEON has filed the IND, we anticipate the start of the PD study early next year. It will be accompanied by bridging studies to tie Daewoong's clinical trial work to the BLA and delivery of additional data from AEON's previously conducted migraine study. Despite the share price pullback following the warrant exercise, we think that ABP-450 has a substantial opportunity to take material share of the $3.8 billion of global therapeutic sales AbbVie achieved for Botox in 2025. We maintain our valuation of $2.00 per share.

PROJECTED FINANCIALS

AEON Biopharma, Inc. - Income Statement

AEON Biopharma, Inc.	2025 A	Q1 A	Q2 A	Q3 A	Q4 E	2026 E	2027 E	2028 E
Total Revenues ($,000 USD)	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Selling, general & administrative	$12,208	$3,903	$2,991	$2,990	$3,500	$13,384	$15,200	$12,598
Research & development	$4,094	$2,034	$2,938	$1,515	$3,100	$9,587	$11,998	$9,000
Other	($3,499)	($4)	($10)	($22)	$0	($36)	$0	$0
Income from Operations	($12,803)	($5,933)	($5,919)	($4,483)	($6,600)	($22,935)	($27,198)	($21,598)
Other Items	($26,419)	($5,860)	$4,764	$6,948	$0	$5,852	$0	$0
Net Interest Income	$0	$0	$0	$0	$0	$0	$0	$0
Pre-Tax Income	($39,222)	($11,793)	($1,155)	$2,465	($6,600)	($17,083)	($27,198)	($21,598)
Provision for Income Tax	$0	$0	$0	$0	$0	$0	$0	$0
Tax Rate								
Net Income	**($39,222)**	**($11,793)**	**($1,155)**	**$2,465**	**($6,600)**	**($17,083)**	**($27,198)**	**($21,598)**
Net Margin								
Reported EPS	**($3.95)**	**($0.29)**	**($0.02)**	**$0.03**	**($0.05)**	**($0.22)**	**($0.17)**	**($0.11)**
YOY Growth								
Basic Shares Outstanding	9,922	40,614	50,531	89,958	129,000	77,526	160,000	204,000

Source: Company Filing // Zacks Investment Research, Inc. Estimates

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HISTORICAL STOCK PRICE

AEON Biopharma, Inc. – Share Price Chart[3]



[3] Source: Barchart.com

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