NanoViricides, Inc. (NNVC)

INITIATING COVERAGE

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Initiation of Coverage

We are initiating coverage of NanoViricides with a Buy rating and an $8.75 risk-adjusted, peak sales-based price target. The company's novel nanoviricide technology was designed to enable direct attacks on a viral particle, disrupting a virus by attacking extracellular reinfection and also disrupting intracellular production of the virus. In FY20, management shifted its strategic focus, applying its technology towards the development of novel treatments for COVID-19. We are encouraged by recent preclinical COVID-19 data, and believe NNVC's risk-reward profile is attractive, should the company successfully advance its COVID-19 candidates advance into the clinic.

Novel technology. As opposed to antibodies that latch onto two attachment points of a viral particle, NNVC's proprietary nanoviricides have a high density of binding sites on their surface, designed to prompt direct attacks on multiple points on a virus particle. Nanoviricides ultimately are architected to then envelope the virus, destabilize the virus and render it non-infectious.

Focus squarely on COVID-19. NNVC has a broad pipeline across multiple viral diseases, including human immunodeficiency virus, herpes, influenza and hepatitis C. In FY20, in response to the global COVID-19 pandemic, management paused its lead program (treatment of shingles rash) to focus its technology on the treatment of COVID-19. The company has reported several sets of encouraging preclinical top-line data (both *in vitro* and *in vivo*) over the last several months, increasing our confidence that NNVC is making sound progress towards an eventual regulatory submission in order to advance its therapies into clinical stage.

We are establishing our FY22 (June fiscal year) EPS estimate of ($0.86). We believe NNVC is sufficiently funded to advance its COVID-19 program into the clinic; the company finished FY21 with $20.5M in cash, and we are modeling FY22 free cash flow burn of ($9.6M). Our $8.75 price target is based on a risk-adjusted, potential post-royalty peak sales estimate of $912M for NNVC's COVID-19 program.

MARKET DATA

Rating	Buy
Price Target	$8.75
Price	$4.90
Average Daily Volume	184
Market Cap ($M)	56.4
Enterprise Value ($M)	$32.2
Dividend Yield	0.0%

ESTIMATES

		2021A	2022E
EPS	Q1	(0.22)	(0.20)
	Q2	(0.22)	(0.23)
	Q3	(0.19)	(0.21)
	Q4	(0.18)	(0.22)
	FY	(0.81)	(0.86)
P/E		(6.0)x	(5.7)x

One Year Performance Chart

Source: FactSet, 18 October 2021

We are initiating coverage of NanoViricides, a preclinical stage antiviral company, with a Buy rating and an $8.75 risk-adjusted, peak sales-based price target, implying 79% upside from the current price. The company's nanoviricide technology was designed to enable direct attacks on a viral particle, disrupting a virus by both attacking its reinfection cycle and also disrupting intracellular production of the virus. We believe the risk-reward is compelling based on NNVC's preclinical COVID-19 treatment data. Should the company be successful in advancing its COVID-19 therapies into the clinic, and see translation of its preclinical data into humans, we believe this would validate the company's broader antiviral platform.

History of NanoViricides

NanoViricides was acquired by Edot-com in 2005 in a reverse merger transaction, with NanoViricides treated as the acquirer. The sole asset of NanoViricides at the time of the merger was a license agreement with privately held TheraCour Pharma, which is 90% owned by NNVC CEO Anil Diwan, to develop novel antivirals based upon TheraCour's antiviral technologies. We note that TheraCour currently owns 4.1% of NNVC. The original license agreement with TheraCour granted to NNVC an exclusive license for human immunodeficiency virus (HIV), hepatitis C (HCV), herpes simplex 1 and 2 (HSV-1 and HSV-2), rabies, influenza and Asian bird flu. From 2005-2015, NNVC also licensed the rights to additional viruses including dengue, Japanese encephalitis, West Nile, conjunctivitis, ocular herpes, and Ebola/marburg. In 2009, NNVC was granted a license for shingles by TheraCour, and in 2021 NNVC was granted a license for coronavirus-derived human infections. TheraCour itself licenses its technology from AllExcel (founded in 1992), which is also owned and controlled by CEO Diwan. In order to optimize corporate structure and simplify the NNVC story, we would prefer that one or more of these legacy related parties move to consolidate with each other.

Technology Platform

NNVC's drug candidates are self-assembling biomimetic nanomedicines, designed to mimic healthy cells, allowing them to bind to virus particles. The company's candidates use a "Bind-Encapsulate-Destroy" strategy to eliminate free virus. A nanoviricide is a cell mimic that allows a virus particle to latch on to it by replicating the human cellular receptor of the virus. Once the virus binds to the nanoviricide, which has a high density of potential binding sites, the nanoviricide is designed to encapsulate the virus particle. Once engulfed, the nanoviricide then destroys the virus particle. These biodegradable, amphiphilic (possessing hydrophilic and amphiphatic properties) block copolymers have hydrophobic interiors that can potentially house drugs, vitamins, dyes and imaging agents.

Pipeline: Company Pivots to COVID-19 in 2020

NNVC has not yet advanced any of its candidates beyond the preclinical stage, never having filed an investigative new drug (IND) application or clinical trial application (CTA). Management has shuffled its priorities a few times since its inception; for example, from FY13-FY15, its FluCide (influenza) program was its lead asset. The focus changed to herpes simplex virus type 1 HSV-1 in FY16, and shingles between FY17-19. For its part, management has noted that it had completed IND-enabling work for shingles (NV-HHV-101 skin cream) when the COVID-19 pandemic hit.

In FY20, in response to COVID-19, and a global deceleration in clinical trial activity unrelated to COVID-19, NNVC pivoted in attempt to develop treatments for COVID-19 and paused its shingles program. NNVC is developing two potential candidates for treatment of COVID-19 disease: NV-CoV-2-R and NV-CoV-2. NV-CoV-2 is described as neutralizing the virus outside of target cells, thereby blocking the reinfection cycle. NV-CoV-2-R has a component of remdesivir, Gilead Sciences's (GILD, Not Rated) COVID-19 treatment, that is designed to block the replication cycle of the virus that is already inside of cells. Put another way, NV-CoV-2 is designed to block the SARS-CoV-2 virus outside the cells through its encapsulation strategy, while NV-CoV-2-R blocks both the extra-cellular and intra-cellular life of the virus. A two-pronged approach is differentiated and could confer additional efficacy benefits above commercially available treatments or late stage treatment candidates.

TheraCour COVID-19 Licensing

On September 7, 2021, NNVC executed a license agreement for TheraCour's coronavirus treatments, covering world-wide exclusive sub-licensable rights. No upfront payments were made to TheraCour, but the following potential milestone payments and royalties comprise the agreement:

Figure 1 - Figure 1. TheraCour Milestones and Royalties for COVID-19

#	Milestone	Compensation
1	License agreement	100,000 series A convertible pf stock
2	Approval of IND or CTA within 24 months	50,000 milestone shares
3	Initiate Phase 1 trials within 3m of IND acceptance	$1.5M
4	Complete Phase 1 trial within 12m of IND acceptance	$2M
5	Complete Phase 2a within 24m of Ph1 completion	$2.5M
6	Initiate Phase 3 trials	100,000 milestone shares
7	Complete Phase 3 trials within 36m of Phase 2 completion	$5M or 500,000 milestone shares

Royalties

15% on net sales, and 15% of all sublicense income

Source: Company Documents

Intellectual Property

NNVC has licensed two issued patents from TheraCour; the first, covering certain specific amphiphilic polymers, was issued in 2003 (US6,521,736) and expired in 2020. The second patent, PCT/US-6/01820, covering the solubilization and targeted delivery of drugs with self-assembling amphiphilic polymers, was issued in the US in 2012 (estimated expiry in 2028), with 52 international applications issued or validated. NNVC also has licensed the rights to two other patents that have been applied for (by TheraCour) in the US: PCT/US2007/001607 (self-assembling amphiphilic polymers as antiviral agents) and PCT/US21/39050 (self-assembling amphiphilic polymers as anti-COVID-19 agents).

Reported NV-CoV-2 and NV-CoV-2-R Pre-Clinical Data

NNVC has been reporting preclinical data on its COVID-19 candidates since May 2020. We summarize those top-line findings below:

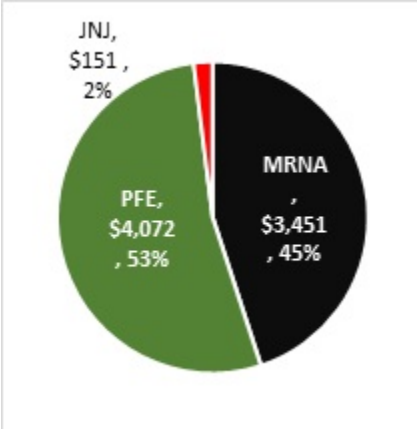
- **May 2020**: Using hCoV-NL63 (a human coronavirus that binds to the same ACE2 receptor as SARS-CoV-2), the company studied lethal direct lung infection in 30 rats and five different nanoviricide candidates. The company compared weight loss for both male and female rats against a control group treated with remdesivir alone. The best performing nanoviricide candidate resulted in body weight (BW) loss of 3.9% in female rats vs. BW loss of -15.2% in the control group of females, and a loss of 8% BW in the male group vs. a control of 18.6% BW loss.
- **July 2020:** In a study of safety and tolerability in mice, NNVC tested three different nanoviricide candidates at three different dosages. No immune or allergic reactions were discovered and no observable changes to any organs occurred. In the high dose group of 2 of the three candidates, non-absorption of water in the colon was seen, which was thought to be a side effect of polyethylene glycol (PEG), which is the polymer backbone employed by NNVC that enables their therapies to be "substantially" non-immunogenic.
- **February 2021:** NV-CoV-2 was found safe in good laboratory practice (GLP) safety pharmacology studies. The company studied IV administration of NV-CoV-2 in 25, 50, and 100 mg/kg, which was not shown to affect respiratory function in rats. Infusion of NV-CoV-2 at 25, 37.5 and 50 mg/kg did not have toxicologic effects on cardiac rhythm or ECG morphology in cynomolgus monkeys, with no significant impact on blood pressure and heart rate. NNVC also conducted a non-GLP safety and tolerability in male and female rats, which showed that NV-CoV-2 was well tolerated at two different doses.
- **March 2021:** NNVC studied hCoV-NL63 direct lunch infection in four rat cohorts, treated with NV-CoV-2, NV-CoV-2-R and remdesivir, with one untreated group serving as a control. Reported survival was 14 days in the NV-CoV-2 arm, 16 days in the NV-CoV-2-R arm, 5 to 6 days in the untreated group, and 7.5 days in the remdesivir group. Average BW loss for NV-CoV-2, NV-CoV-2-R, remdesivir cohorts was 7%, 1.8%, and 17%, respectively.
- **September 2021:** Pharmacokinetic (PK) study of NV-CoV-2 in rats. NNVC found that the amount of remdesivir intact in plasma was twice the amount found when administered in encapsulated form vs. standard remdesivir dosing. BW loss on day 7 with standard remdesivir (80 mg/kg) was 9.5% in males and 9.5% in females. This compares to 3% loss on day 7 after being treated with NV-CoV-2-R (80 mg/kg) in males, and a 1% loss in females.
- **October 2021:** The company studied NV-CoV-2 activity against SARS-CoV-2 in a cell culture psuedovirion assay, which evaluates neutralizing antibodies against SARS-CoV-2 in BSL-2 laboratories and BSL-2 virus shells. NV-CoV-2 and a positive

control antibody were shown to equally suppress the virus infection, demonstrating that NV-CoV-2 rendered psuedovirion particles incapable of binding to ACE2 positive cells.

COVID-19 Vaccine and Treatment Landscape

While the addressable market for COVID-19 is sizeable, the competitive landscape for SARS-CoV-2 and COVID-19 is becoming increasingly crowded for both prophylaxis and treatment. With respect to prophylaxis, there are currently three vaccines available in the United States: Pfizer/BioNTech (PFE, Not Rated; BNTX, Not Rated), Moderna (MRNA, Not Rated) and Janssen (JNJ, Not Rated). These vaccines generated $17.5B in 1H21 revenue. There are other vaccines authorized in various countries around the world; for example, China has manufactured several vaccines (CanSino, Sinopharm, Sinovac), while Russia has developed two (Gamaleya's "Sputnik V" and the Vector Institute's "EpiVacCorona"). The Milken Institute's "COVID-19 Treatment and Vaccine Tracker" also lists 270 vaccines in development, with 100 in clinical testing, and 10 different vaccines in use around the world. Globally, through October 13, 2021, 6.61B doses of vaccine have been administered; assuming $15 per dose, this implies estimated worldwide vaccine revenue of ~$99B.

Figure 2 - United States 1H21 Vaccine Revenue ($M) and Market Share



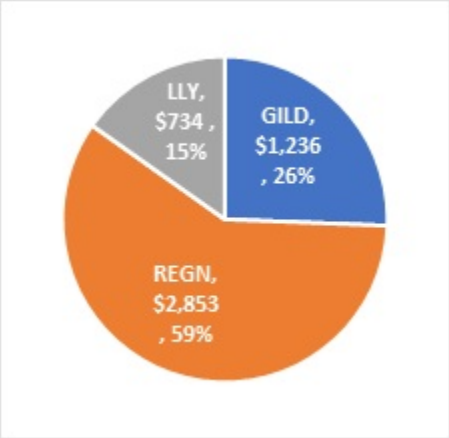
Source: Company Documents

In terms of treatment, Gilead's Veklury (remdesivir) was the first approved treatment in the United States, where it is used for hospitalized patients with COVID-19 infection in patients 12 and older (and weighing at least 40 kg). Remdesivir, a nucleotide analog RNA polymerase inhibitor, was originally studied for use in ebola. The drug generated $2.0B in U.S. Sales in 2020, and $2.3B in 1H21, and was initially priced at around $2.5K for a course of therapy.

Regeneron (REGN, Not Rated), with its REGEN-COV antibody cocktail (carisivimab and imdevimab) has also been authorized under the FDA's Emergency Use Authorization (EUA) program. In a 4,567 patient study of non-hospitalized patients, REGEN-COV demonstrated a ~70% risk reduction in hospitalization or death vs. placebo. The price of the drug is ~$2.1K per dose.

Additionally, Eli Lilly (LLY, Not Rated) and Abcellera (ABCL, Not Rated) have collaborated on an antibody cocktail that combines bamlanivimab and etesevimab; data comparing 1,035 high-risk, recently-diagnosed mild-to-moderate COVID-19 patients showed a 70% risk reduction vs. placebo, with no deaths in the treatment arm of the study. Glaxo/Vir (GSK, Not Rated; VIR, Not Rated) are collaborating on Xevudy (sotrovimab), another antibody treatment, which showed an 85% reduction in hospitalization or death vs. placebo in 583 high-risk adults.

Figure 3 - COVID-19 1H21 Treatment Revenue ($M) and Market Share



Source: Company Documents

Additional treatment competition is looming; more than 330 different drug candidates are being investigated for treatment of COVID-19 infection, 237 of which are in clinical stage (Milken).

Gilead has been studying an oral formulation of remdesivir, a prodrug of the parent nuc of remdesivir known as GS-621763. In October 2020, Merck (MRK, Not Rated) and collaborator Ridgeback announced interim data for Molnupiravir, an oral antiviral for the treatment of mild to moderate COVID-19, which showed a 50% reduction in hospitalization or death through 29 days. No deaths were reported in the molnupiravir arm, vs. eight in the placebo arm, and no viral load reduction data was provided in the release. We note that on the day Merck announced top-line data, its market cap increased ~$16B. Merck recently announced that it is applying for Emergency Use Authorization with the FDA for molnupiravir, a nucleoside analog that is designed to inhibit RNA replication.

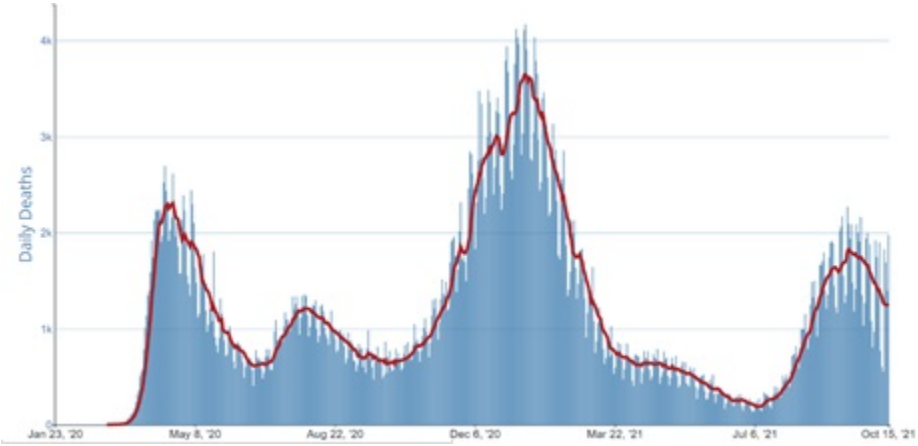
Atea (AVIR, Not Rated) and collaborator Roche (RHHBY, Not Rated) recently announced Phase 2 data for AT-527 in adults with mild to moderate COVID-19 infection (missing the primary endpoint), and Phase 3 AT-527 results in a separate global outpatient trial (multiple symptomatic and outcomes endpoints in addition to virology data) are expected in the second half of 2022. AT-527 targets viral RNA-dependent RNA polymerase, or RdRp, a highly conserved enzyme central to viral replication.

Pfizer (PF-07321332) and Shionogi (S-217622) are each also studying oral protease inhibitors for treatment of COVID-19 treatment.

COVID-19 Commercial Opportunity

The addressable market for an effective oral antiviral against COVID-19 disease is sizeable; in 2020, 84M "cases" of COVID-19 were experienced globally (for the most part, a "case" actually represents a positive diagnostic test result for SARS-CoV-2 viral infection). Through the first 9 months of 2021, there were more than 155M cases globally. We estimate that the U.S. and E.U. combined will see ~50M cases in 2021. While forecasts have proven difficult given the novel nature of the virus, going forward, in the US & EU combined, we are modeling 25M to 60M cases as a potential range; assuming NNVC's therapies can capture 10% market share, and at a price at discount with what we believe Merck charges for molnupiravir, we believe that this could translate into $912M in post-royalty peak sales in the EU&US regions.

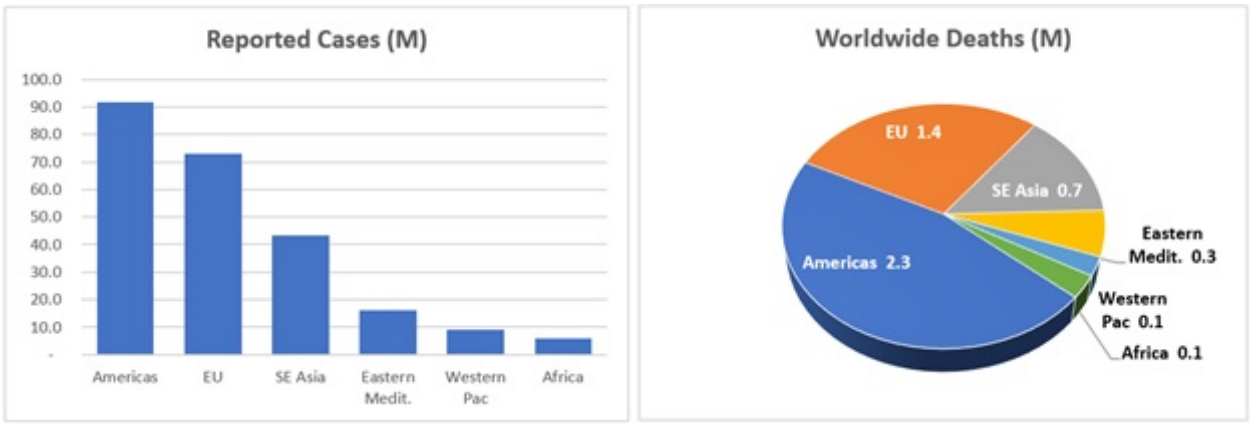
Figure 4 - Daily Reported COVID-19 Deaths in the United States Since 2020



Source: Centers for Disease Control and Prevention

We are conservatively modeling potential NNVC market share at this stage, given a number of treatments currently available and the potential for additional treatments in the future, including those from Merck/Ridgeback, Atea/Roche, Shionogi (SGIOY, Not Rated) and Pfizer, the potential for improved next-generation vaccine effectiveness, the preclinical status of NNVC's program, as well as the potential for the virus to weaken (lower fatality rates) over time as more of the population is exposed to the virus.

Figure 5 - Reported COVID-19 Cases and Deaths



Source: World Health Organization

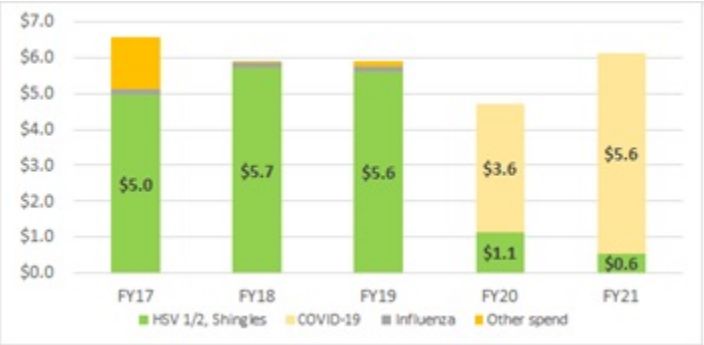
In-House Manufacturing Capabilities

Given the complexities associated with manufacturing its therapeutic candidates, in 2014 NNVC moved to acquire a modern, cGMP-capable production facility originally owned by Inno-Haven, LLC (which was owned and controlled by CEO Diwan). The facility is 18,000 square feet and sits on 1.64 acres in rural Connecticut and was purchased in December 2014 for $4.3M (including closing costs). Between FY14 and FY15, the company also acquired property and equipment from both Inno-Haven and TheraCour for an additional $5.3M. In 2015, the company reported that the building's replacement value was likely in excess of $15M.

Balance Sheet, Cash Flow, Employees and Financing History

NNVC finished its June fiscal year end with $20.5M in cash. Between FY11-FY21, NNVC burned $85M and raised $72M (equity and warrants), although the cGMP facility and related equipment purchases comprised nearly $10M of this burn. As of September 30, 2021, NNVC had 17 employees, consistent with FY20 levels. In FY21, NNVC burned $8.5M; we are modeling cash burn of $9.6M in FY22, and we expect cash burn to increase should NNVC's drug candidates advance into clinical development.

Figure 6 - R&D Cost Allocation ($M) by Target Indication



Source: Company Documents

Management

Executive Chairman and President Anil Diwan, PhD: Dr. Diwan also serves as CEO and Director of AllExcel, Inc. (from 1995 to the present) and TheraCour Pharma, Inc. (from 2004 to the present) and is the original inventor of the technologies licensed to NanoViricides Inc., as well as the TheraCour polymeric micelle technologies and products based on them. Dr. Diwan has won over 12 NIH small business innovation research (SBIR) grants. Dr. Diwan holds several issued patents, and three PCT international patent applications in various stages of prosecution in a number of countries, and also has several additional patentable discoveries. Dr. Diwan has held several scholastic distinctions, including an All-India 9th rank on the Joint Entrance Examination of all IIT's. He holds a Ph.D. in Biochemical Engineering from Rice University and a B.S. in Chemical Engineering from Indian Institute of Technology (IIT) Bombay.

Chief Financial Officer Meeta Vyas: Ms. Vyas served as CEO of Signature Brands, Inc., from 1997 to 1999. Later, as the CEO of the World-Wide Fund for Nature - India (WWF-India) and then as a Vice President of the National Audubon Society, both non-profit entities, Ms. Vyas successfully raised unrestricted funding and also instituted financial processes to measure a variety of performance metrics. Earlier in her career, she was responsible for designing the strategy and initiating the implementation plan for the information technology outsourcing program at General Electric (GE, Not Rated). Also at GE, Ms. Vyas ran GE Appliances' Range Products business unit having revenues exceeding $1 billion. Prior to that, Ms. Vyas served as a management consultant with McKinsey and Company. Ms. Vyas is married to Anil Diwan, the company's President and Chairman and principal shareholder of TheraCour Pharma, Inc. Ms. Vyas holds an MBA in Finance from Columbia University's Graduate School of Business, and a SB in Chemical Engineering from the Massachusetts Institute of Technology.

Dr. Eugene Seymour served as CEO until FY18; another executive was named to replace Dr. Seymour, but resigned shortly after taking the position. Ms. Vyas has served as CFO since May 2013. We also note that Anil Diwan directly owns 0.87% of NNVC, Meeta Vyas owns 0.05%, and TheraCour (90% owned by Diwan) owns 4.1%.

Valuation

Over the past ten years, NNVC has traded in a market cap range of $5M to $330M, at an average of ~$90M (peak market cap was achieved in September 2013 when the company completed a $9.9M financing and announced that it had met standard listing requirements of certain national stock exchanges). Currently, NNVC trades at a $56M market cap, while having $20.5M in cash on the balance sheet and only $100K in debt. We note that its cGMP facility has been ascribed a $15M replacement cost in the past (although replacement cost has likely appreciated since management's original estimate in 2015). NNVC's current price/tangible book is ~2x.

We are valuing NNVC on a peak sales methodology. We are applying a 0.1x multiplier against our previously discussed peak sales (after royalties) assumption of $912M. This equates to an equity value of $8.75 per share, or 79% higher than where the stock trades today. We would look to increase our multiplier should the company submit an IND/CTA, have the IND/CTA cleared, and advance its candidates through clinical development. We note this valuation method ascribes no value to the remainder of NNVC's preclinical programs, but we believe the regulatory and clinical progress of the COVID-19 program would serve as validation for NNVC's platform and its other viral disease candidates.

Figure 7 - NNVC Peak Sales Valuation

	Base
US & EU Infections (M)	25.0
NNVC Market Share	10%
Patients on NNVC Tx (M)	2.5
Net price per patient	$430
Peak sales ($M)	1,073

Metric	Value
Peak sales ($M)	1,073
Deduct 15% royalties ($M)	912
Multiplier	0.10
Enterprise Value ($M)	91
Debt ($M)	0
Cash ($M)	21
Future Milestone pmts ($M)	(11)
Equity Value ($M)	101
Shares as of 6/30/21 (M)	11.5
Price Target	**$8.75**

Source: Company Documents, EF Hutton Estimates

Risks to Our Thesis

Execution risk: NNVC has never advanced a drug to the clinic or submitted an IND (or CTA) in its history. Specific to COVID-19, we see risks on several fronts: the market for treatment is becoming increasingly competitive; the potential for the virus to weaken over time (limiting both the addressable market and making it more challenging to recruit patients into clinical trials); and the prospect for improved (next generation) vaccine effectiveness in the future. Moreover, while the company's technology platform is novel, this novelty creates development risk relative to other (more traditional small molecule) drug candidates, given the potential for translational risk as well as from the potential for longer than expected regulatory review timelines. Financing: if the company successfully moves into clinical development, its burn rate will likely increase, thereby creating the potential for additional equity dilution.

Exhibit 1 - NNVC Model

NNVC		9/30/21	12/31/21	3/31/22	6/30/22		6/30/2017	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22
	FY21	1QF21	2QF21	3QF21	4QF21	FY22E	FY17	FY18	FY19	FY20	FY21	FY22
R&D	6.1	1.7	1.8	1.8	1.9	7.2	6.6	5.9	5.9	4.7	6.1	7.2
G&A	2.6	0.6	0.8	0.6	0.6	2.6	3.0	3.4	2.7	3.3	2.6	2.6
EBIT	(8.7)	(2.3)	(2.6)	(2.4)	(2.5)	(9.8)	(9.6)	(9.3)	(8.7)	(8.0)	(8.7)	(9.8)
Interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0	-
Interest expense	(0.1)	0.0	0.0	0.0	0.0	-0.1	(0.8)	(0.2)		(0.1)	(0.1)	(0.1)
Gain on warrant settlement	-					0.0		-		0.6	-	-
Loss on disposal of property and equipment	(0.0)					0.0					(0.0)	-
Loss on issuance of Series A pf for AP-related party	-					0.0		-		(0.1)	-	-
Loss on extinguishment of debt	-					0.0	(0.3)	(1.3)			-	-
Discount on convertible debentures	-					0.0	(1.3)	(0.4)			-	-
Change in FV of derivatives	-					0.0	1.7	2.6	0.2	(5.8)	-	-
Other (expense) income, net	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	-0.1	(0.7)	0.8	0.2	(5.5)	(0.1)	(0.1)
Loss before tax provision	(8.8)	(2.3)	(2.6)	(2.4)	(2.5)	(9.9)	(10.3)	(8.6)	(8.4)	(13.4)	(8.8)	(9.9)
Income tax provision	-					0.0	-	-	-	-	-	-
Net loss	(8.8)	(2.3)	(2.6)	(2.4)	(2.5)	(9.9)	(10.3)	(8.6)	(8.4)	(13.4)	(8.8)	(9.9)
Diluted EPS	**($0.81)**	**($0.20)**	**($0.23)**	**($0.21)**	**($0.22)**	**($0.86)**	**($3.43)**	**($2.64)**	**($2.35)**	**($2.39)**	**($0.81)**	**($0.86)**
Diluted share count	10.9	11.6	11.6	11.6	11.6	11.6	3.0	3.2	3.6	5.6	10.9	11.6
Depreciation	0.7	0.2	0.2	0.2	0.2	0.8	0.7	0.7	0.7	0.7	0.7	0.8
Amortization	0.0	0.2	0.2	0.2	0.2	0.8	0.0	0.0	0.0	0.0	0.0	0.8
Growth												
R&D		8.1%	20.5%	22.9%	19.9%	17.8%	30.6%	-9.9%	0.1%	-20.7%	30.2%	17.8%
G&A		-14.0%	0.2%	-6.7%	22.4%	-1.1%	-20.8%	12.4%	-19.7%	20.6%	-20.3%	-1.1%
Diluted share count		10.6%	8.8%	5.9%	0.9%	6.4%	4.2%	8.0%	10.6%	56.5%	94.1%	6.4%
Key Balance Sheet Items and Cash Flow												
Cash		18.1	15.6	13.2	10.9		15.1	7.1	2.6	13.7	20.5	10.9
Mortgage note payable									-	1.1	-	-
Loan Payable		0.1	0.1	0.1	0.1				-	0.1	0.1	0.1
Cash from operations	(8.2)	(2.4)	(2.4)	(2.4)	(2.2)	(9.4)	(7.9)	(7.8)	(6.8)	(6.7)	(8.2)	(9.4)
Capex	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)	(0.1)	(0.0)	(0.2)	(0.2)
FCF	**(8.5)**	**(2.5)**	**(2.5)**	**(2.5)**	**(2.3)**	(9.6)	**(8.1)**	**(8.0)**	**(6.9)**	**(6.7)**	**(8.5)**	**(9.6)**
FCF / EBIT	97%	107%	94%	102%	90%	98%	84%	86%	79%	83%	97%	98%

Source: Company Documents, EF Hutton Estimates

Important Disclosures

Analyst Certification

I, Constantine Davides, CFA, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security(ies) and subject company(ies). I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

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BUY (B) - Total return expected to exceed S&P 500 by at least 10%

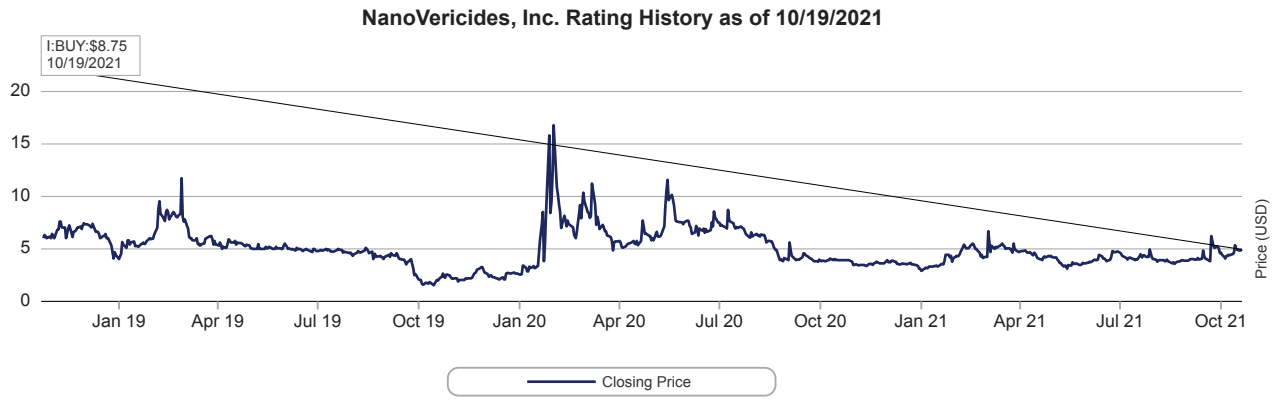
HOLD (H) - Total return expected to be in-line with S&P 500

SELL (S) - Total return expected to underperform S&P 500 by at least 10%

Distribution of Ratings/IB Services

EF Hutton

			IB Serv./Past 12 Mos.	
Rating	**Count**	**Percent**	**Count**	**Percent**
BUY	**1**	**100.00**	**1**	**100.00**
HOLD	**0**	**0.00**	**0**	**0.00**
SELL	**0**	**0.00**	**0**	**0.00**


NanoVericides, Inc. Rating History as of 10/19/2021
I:BUY:$8.75
10/19/2021
20
15
10
5
0
Jan 19
Apr 19
Jul 19
Oct 19
Jan 20
Apr 20
Jul 20
Oct 20
Jan 21
Apr 21
Jul 21
Oct 21
Price (USD)
Closing Price