

Quantum BioPharma Ltd.
NYSE: QNTM

August 30, 2024

Price (as of close Aug 29, 2024)
\$4.94

Rating
Buy-Venture

12- Month Target Price
\$12.80

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Launch of unbuzzd™ a Significant Milestone, Firm Name Changed to Quantum BioPharma; Maintain Buy Venture.

The Company changed its name to Quantum BioPharma Ltd. under a new ticker, QNTM. The successful launch of unbuzzd™ on Amazon, marks a significant milestone for the firm. Furthermore, ethics approval in Australia for Phase-1 multiple ascending dose study for Lucid-MS signifies a crucial step in the progress towards development of a novel treatment for multiple sclerosis. **We reiterate our Buy-Venture rating and adjust our target price to \$12.80 per share.**

52-Week Range	\$3.65 – \$109.19	Total Debt	\$0.6 million
Shares Outstanding	1.3 million	Debt/Equity	6.0%
Insider/Institutional	7.5% / 1.7%	ROE (LTM)	NM
Public Float	1.2 million	Book Value/Share	\$7.8
Market Capitalization	\$5.4 million	Daily Volume (90-day)	462,964

FYE Dec	FY 2023A	FY 2024E		FY 2025E	
EPS (\$)	ACTUAL	CURRENT	PREVIOUS	CURRENT	PREVIOUS
Q1 Mar	\$(0.26)A	\$(0.05)A		\$(0.37)E	
Q2 Jun	\$(0.14)A	\$(0.06)A		\$(0.38)E	
Q3 Sep	\$(0.03)A	\$(2.78)E		\$(0.39)E	
Q4 Dec	\$(0.04)A	\$(0.80)E		\$(0.40)E	
Year*	\$(0.46)A	\$(3.27)E		\$(1.54)E	
P/E Ratio	NM	NM		NM	
Change	NM	NM		NM	

FYE Dec	FY 2023A	FY 2024E		FY 2025E	
Revenue (\$ mil.)	ACTUAL	CURRENT	PREVIOUS	CURRENT	PREVIOUS
Q1 Mar		\$0.0A		\$2.2E	
Q2 Jun		\$0.0A		\$2.2E	
Q3 Sep		\$0.0E		\$2.2E	
Q4 Dec		\$0.95E		\$2.2E	
Year*	\$0.0A	\$0.95E		\$8.7E	
Change	NM	NM		818.4%	

* Numbers may not add up due to rounding and changes in diluted shares outstanding; FY23, Q124 and Q224 EPS numbers are not adjusted for the 65:1 share consolidation

Company Description

Quantum BioPharma Ltds. is a clinical-stage biotechnology company with a robust pipeline of innovative treatments focused on addressing significant unmet needs in brain disorders and alcohol health. The Company has two candidates in different stages of development – Lucid-MS and unbuzzd™.

Q2:24 Highlights

- The Company does not report any revenues. QNTM reported G&A expenses of \$2.31 million in Q2:24, an increase of 23% compared to \$1.87 million in Q2:23.
- Net loss declined \$3.3 million versus a loss of \$5.4 million in Q2:23. Net loss per share was \$(0.08) in Q2:24.
- Notably, the cash and cash equivalents (including finance receivables) were \$15.3 million as of August 13, 2024, nearly 3x the current market cap of the Company. This amount includes \$5.5 million raised via an ATM offering post Q2:24.
- Quantum noted that it has successfully launched unbuzzd™ on Amazon. The initial launch comprises slender packs which will be easy to carry in a pocket or purse
- Quantum has received approval from the Human Ethics Review Committee (HREC) in Australia to conduct a Phase 1 study aimed at evaluating the safety and pharmacokinetics of multiple ascending doses of Lucid-21-302 (Lucid-MS) in healthy adults. It signifies a crucial step in the progress towards the development of a novel treatment for multiple sclerosis.
- The Company changed its name to Quantum BioPharma Ltd. under a new ticker, QNTM. The Company also announced a share consolidation in the ratio of 65:1.
- We maintain our Buy-Venture rating and adjust our price target to \$12.80.

Primary Risks

- The Company has experienced substantial losses since its establishment and might continue to face financial deficits in the foreseeable future.

Please refer to the end of this report to obtain important disclosure information.

Investment Thesis

Quantum BioPharma Ltd. (QNTM) is a clinical-stage biotechnology company dedicated to pioneering treatments for critical gaps in brain disorders and alcohol health. The company boasts a strong pipeline of innovative therapies. Currently, it has two candidates at varying stages of development – 1) Lucid-MS, a unique proprietary compound designed to address progressive Multiple Sclerosis (MS); and 2) unbuzzd™, an exclusive formulation comprising natural ingredients, vitamins, and minerals. This formulation aids in expediting alcohol metabolism, thus lowering Blood Alcohol Content. Of these, the near-term catalyst is the anticipated launch of unbuzzd™ in August 2024. unbuzzd™ is spearheaded by marketing luminary Kevin Harrington and former CEO of Celsius Holdings, Inc., Gerry David. Together, they have collectively generated billions of dollars in sales and brand value for shareholders. The market potential is immense, and QNTM stands poised to reap substantial benefits upon the product's commercial launch.

We maintain our Buy-Venture rating and adjust our price target to \$12.80 per share.

Q2:24 Financial Performance

The Company does not report any revenues. Quantum Biopharma reported G&A expenses of \$2.31 million in Q2:24, an increase of 23% compared to \$1.87 million in Q2:23. The increase is attributable to higher professional fees and investor relations expenses, partially offset by a decrease in salaries and wages, general office expenditures, and lower consulting fees. Though, going forward we expect general and administrative expenses to increase as QNTM increases its headcount to grow the business. QNTM incurred a 44% YOY decline in total R&D expenditure to \$0.89 million primarily due to recovery in R&D fees because of credits received from contract research organizations that can be applied against future services.

Net loss was \$3.3 million versus a loss of \$5.4 million in Q2:23. Net loss per share was \$(0.08) in Q2:24. The Company noted that it has sufficient liquidity to meet its obligations and day-to-day expenditures over the next twelve months. Notably, the cash and cash equivalents (including finance receivables) were \$15.3 million as of August 13, 2024, nearly 3x the current market cap of the Company. Our cash factors in \$5.5 million of proceeds raised via an ATM agreement post Q2:24.

Launch of unbuzzd™: Quantum noted that it has successfully completed the first production run of unbuzzd™ stick packs and is on track to commercially launch unbuzzd™ by the end of August 2024. The initial launch will comprise slender packs which will be easy to carry in a pocket or purse. Celly Nutrition intends to introduce 12oz Ready to Drink (RTD) cans to the unbuzzd™ product range later this year.

Name Change and Share Consolidation. The Company announced its name change to Quantum BioPharma Ltd. under a new ticker, QNTM. The Company also announced a share consolidation in the ratio of 65:1 post the share consolidation, the total number of shares (both class A and B) were 1,300,729.

Ethics Approval for Phase-1 Multiple Ascending Dose Study for Lucid-MS. Quantum has received approval from the Human Ethics Review Committee (HREC) in Australia to conduct a Phase 1 study aimed at evaluating the safety and pharmacokinetics of multiple ascending doses of Lucid-21-302 (Lucid-MS) in healthy adults. This clinical study expands upon the previous Phase 1 study of Lucid-21-302. In a previous Phase 1 study involving single ascending doses, Lucid-21-302 demonstrated safety and good tolerance within the 50-300 mg p.o. dose range when administered once to healthy adults. Importantly, there were no discernible differences in pharmacokinetics between fed and fasted states. Compared to the single ascending dose in the prior Phase 1 study, the new study will focus on multiple ascending doses and signifies a crucial step in the progress towards development of a novel treatment for multiple sclerosis.

Valuation

We value each of the Company's leading drug candidates – Lucid-MS and unbuzzd™ to arrive at a final value for QNTM. We value Lucid-MS using a risk-adjusted DCF, while unbuzzd™ is valued using a peer comparable methodology.

Lucid-MS: We have estimated revenue for Lucid-MS based on the targeted disease incidence rates and the Company's ability to capture market share. We model the U.S. and the EU market for Multiple Sclerosis (MS), where the Company is

currently targeting to advance the drug. For Lucid-MS, we have assumed a probability of success of 10%. Furthermore, we have accounted for the royalty and milestone payments to UHN. We assume a royalty rate of 3%. We assume a 15% market penetration to incorporate Lucid-MS's attractive value proposition which includes its non-immunomodulatory response and superior efficacy given its ability prevent and reverse myelin degradation. We assume that Quantum BioPharma does not out-license Lucid-MS to other large pharma companies upon the release of positive results from its ongoing clinical trials.

A 30% discount rate is assumed to reflect the heightened risk of a clinical-stage drug development company. We factor in a 9-year commercial life, with initial sales to commence in 2028, sequentially ramping up towards its full penetration by 2031. We assume continued R&D, sales & marketing, and SG&A expenses throughout the life of the product.

The exhibit below summarizes our risk-adjusted DCF.

Exhibit 1: Lucid-MS Revenue Model

Lucid-MS	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E
United States	Phase 1	Phase 2	Phase 3	FDA	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial
No. of MS Patients in US	951,034	960,544	970,150	979,851	989,650	999,546	1,009,542	1,019,637	1,029,834	1,040,132	1,050,533	1,061,039	1,071,649
Growth yoy (%)	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Patients eligible for Lucid-MS (%)	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Lucid-MS's Market Penetration (%)					4%	8%	10%	15%	15%	15%	15%	15%	15%
Cost of treatment (\$)					58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000
Total Revenue - United States (\$ mn)	\$ -	\$ -	\$ -	\$ -	\$ 459	\$ 928	\$ 1,171	\$ 1,774	\$ 1,792	\$ 1,810	\$ 1,828	\$ 1,846	\$ 1,865
Lucid-MS - Europe													
No. of MS Patients in EU	880,147	888,949	897,838	906,816	915,885	925,043	934,294	943,637	953,073	962,604	972,230	981,952	991,772
Growth yoy (%)	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Patients eligible for Lucid-MS (%)	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Lucid-MS's Market Penetration (%)					4%	8%	10%	15%	15%	15%	15%	15%	15%
Cost of treatment (\$)					18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500
Total Revenue - EU (\$ mn)	\$ -	\$ -	\$ -	\$ -	\$ 136	\$ 274	\$ 346	\$ 524	\$ 529	\$ 534	\$ 540	\$ 545	\$ 550
Total Revenue - Lucid-MS (\$ mn)	\$ -	\$ -	\$ -	\$ -	\$ 595	\$ 1,201	\$ 1,517	\$ 2,298	\$ 2,321	\$ 2,344	\$ 2,368	\$ 2,391	\$ 2,415

Source: Singular Research

Exhibit 2: Lucid-MS: Risk-adjusted DCF Valuation

Lucid-MS (\$ mn)	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E
Revenue	\$ -	\$ -	\$ -	\$ -	\$ 595	\$ 1,201	\$ 1,517	\$ 2,298	\$ 2,321	\$ 2,344	\$ 2,368	\$ 2,391	\$ 2,415
Royalty @ 3%	\$ -	\$ -	\$ -	\$ -	\$ 18	\$ 36	\$ 46	\$ 69	\$ 70	\$ 70	\$ 71	\$ 72	\$ 72
COGS	\$ -	\$ -	\$ -	\$ -	\$ 83	\$ 156	\$ 182	\$ 276	\$ 279	\$ 234	\$ 237	\$ 239	\$ 242
R&D	\$ -	\$ 1	\$ 1	\$ 1	\$ 59	\$ 120	\$ 152	\$ 230	\$ 232	\$ 234	\$ 237	\$ 239	\$ 242
G&A	\$ -	\$ 2	\$ 2	\$ 2	\$ 119	\$ 216	\$ 273	\$ 368	\$ 348	\$ 352	\$ 337	\$ 239	\$ 242
Sales & marketing	\$ -	\$ -	\$ -	\$ -	\$ 178	\$ 300	\$ 303	\$ 345	\$ 348	\$ 352	\$ 284	\$ 287	\$ 290
EBITDA	\$ -	\$ (3)	\$ (3)	\$ (3)	\$ 137	\$ 372	\$ 561	\$ 1,011	\$ 1,044	\$ 1,102	\$ 1,302	\$ 1,315	\$ 1,328
Working capital	\$ -	\$ -	\$ -	\$ -	\$ 18	\$ 36	\$ 46	\$ 69	\$ 70	\$ 70	\$ 71	\$ 72	\$ 72
Capex	\$ 4	\$ 4	\$ 15	\$ 25	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
Cash flow pre tax	\$ (4)	\$ (7)	\$ (18)	\$ (25)	\$ 114	\$ 331	\$ 511	\$ 937	\$ 970	\$ 1,026	\$ 1,226	\$ 1,238	\$ 1,251
Taxes	\$ -	\$ -	\$ -	\$ (5)	\$ 24	\$ 70	\$ 107	\$ 197	\$ 204	\$ 216	\$ 257	\$ 260	\$ 263
Cash flow after tax	\$ (4)	\$ (7)	\$ (18)	\$ (20)	\$ 90	\$ 262	\$ 403	\$ 740	\$ 766	\$ 811	\$ 969	\$ 978	\$ 988
Risk adjusted cash flow	\$ (1)	\$ (1)	\$ (2)	\$ (2)	\$ 9	\$ 27	\$ 42	\$ 77	\$ 80	\$ 85	\$ 101	\$ 102	\$ 103
Risk adjusted NPV (rNPV)	\$ (1)	\$ (1)	\$ (1)	\$ (1)	\$ 3	\$ 7	\$ 8	\$ 11	\$ 9	\$ 7	\$ 7	\$ 5	\$ 4
Total rNPV	\$ 58												

Source: Singular Research

unbuzzd™: It is challenging to value unbuzzd™ given the limited number of similar publicly traded companies. In our comparable company analysis, we screened for companies in the alcohol hangover cure sector. We value Unbuzzd™ at 0.9x 2027E sales of \$327 million, at a 50% discount to the peer group owing to its smaller size as well as its early stage in its business cycle with no revenue. These assumptions result in a total valuation of \$123 million for unbuzzd™ (discounted at 30%).

The exhibit below summarizes our peer group multiples.

Exhibit 3: unbuzzd™ Peer Group Multiples

Company Name	Ticker	Last Price	Shares outstanding (MM)	Market Cap (\$MM)	Price-to-Sales TTM	Price-to-Book TTM	Trailing P/E	Fwd P/E	Fwd EV/ EBITDA
Abbott	ABT	\$ 112.69	1739.89	\$ 196,068.20	4.81	4.99	35.46	21.91	17.32
Bayer AG	CYBN	€ 27.86	982.4	\$ 29,832.93	0.58	0.77	NM	5.20	5.99
Safety Shot*	SHOT	\$ 0.94	52.02	\$ 48.69	47.48	7.53	NM	NM	NM
Dong-A Socio Holdings	000640	KRW 126,000.00	6.25	\$ 590.63	0.66	0.76	15.44	10.40	8.06
HK Inno.N Corp	195940	\$ 40,550.00	28.3	\$ 860.67	1.32	0.94	19.79	13.66	9.91
Average				\$ 45,480.23	10.97	3.00	23.56	12.79	10.32
Average (ex outliers)					1.84	1.87	23.56	12.79	10.32

Source: Singular Research and Refinitiv

Exhibit 4: unbuzzd™ Revenue Model

Unbuzzd - Revenue model	2024E	2025E	2026E	2027E
Global Hangover Cure Market size (\$ bn)	2.7	3.1	3.6	4.1
Growth (%)	14.8%	14.8%	14.8%	14.8%
Actual addressable market for Unbuzzd (\$ bn)	1.1	1.2	1.4	1.6
Unbuzzd Market Penetration (%)	5%	10%	15%	20%
Total Revenue - Unbuzzd (\$ mn)	\$14	\$124	\$214	\$327

Source: Singular Research

We add the value of Lucid-MS and 25.71% stake in unbuzzd™ to arrive at the total enterprise value (EV) of Quantum BioPharma. We then add cash and subtract debt to arrive at the implied equity value. Based on this result, our fair value estimate for QNTM is \$12.80 per share. Note that the Company will need to raise money over the next few years to fund the development of Lucid-MS. As such, we use 2026 fully diluted shares in our valuation to factor in the impact of fund raise.

Exhibit 5: QNTM Sum-of-the-Parts Valuation

QNTM Valuation (in \$ mn except per share)	
Lucid-MS	\$58.1
25.71% stake in Cell Nu (Unbuzzd)	\$31.6
Total EV	\$89.7
Cash	\$3.3
Debt	\$0.6
Implied equity	\$92.4
Shares (mn)	7.2
Fair value per share (\$)	\$12.80

Source: Singular Research and Company Reports

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Rating Definitions

BUY, 30% or greater increase in the next 12 months.

BUY-Long-Term, near-term EPS horizon is challenging, attractive long-term appreciation potential.

BUY-Venture, initial stages with little to no revenue and the potential for outsized returns with higher amounts of risk.

HOLD, perform in line with the market.

SELL, 30% or more declines in the next 12 months.

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Technical Analysis



Quantum BioPharma Ltd.
Quarterly Results & Estimates
\$ in Millions

	2021 Actual	2022 Actual	2023 Actual	2024 Estimated					2025 Estimated					2026 Estimated
	Fiscal 2021A	Fiscal 2022A	Fiscal 2023A	1QA Mar-24	2QA Jun-24	3QE Sep-24	4QE Dec-24	Fiscal 2024E	1QE Mar-25	2QE Jun-25	3QE Sep-25	4QE Dec-25	Fiscal 2025E	Fiscal 2026E
Lucid-MS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Royalty from Unbuzzd	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.95	\$ 0.95	\$ 2.17	\$ 2.17	\$ 2.17	\$ 2.17	\$ 8.68	\$ 14.95
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.95	\$ 0.95	\$ 2.17	\$ 2.17	\$ 2.17	\$ 2.17	\$ 8.68	\$ 14.95
<i>Revenue Growth(y-o-y)</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>129.6%</i>	<i>818.4%</i>	<i>72.2%</i>
Royalty Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
COGS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SG&A expenses	\$ 15.93	\$ 14.45	\$ 9.03	\$ 1.92	\$ 2.31	\$ 2.54	\$ 2.80	\$ 9.57	\$ 2.82	\$ 2.85	\$ 2.88	\$ 2.91	\$ 11.46	\$ 11.93
R&D expenses	\$ 6.33	\$ 6.91	\$ 3.86	\$ 0.16	\$ 0.90	\$ 0.92	\$ 0.95	\$ 2.94	\$ 0.98	\$ 1.01	\$ 1.04	\$ 1.07	\$ 4.11	\$ 4.62
Share-based payments	\$ 7.44	\$ 1.53	\$ 3.84	\$ 0.06	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.39	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.45	\$ 0.45
D&A	\$ 4.05	\$ 4.54	\$ 2.51	\$ 0.12	\$ 0.14	\$ 0.14	\$ 0.14	\$ 0.53	\$ 0.14	\$ 0.14	\$ 0.14	\$ 0.14	\$ 0.55	\$ 0.55
Impairment loss	\$ -	\$ -	\$ 4.56	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total operating expenses	\$ 33.74	\$ 27.43	\$ 23.79	\$ 2.26	\$ 3.46	\$ 3.71	\$ 4.00	\$ 13.42	\$ 4.05	\$ 4.11	\$ 4.17	\$ 4.23	\$ 16.56	\$ 17.54
Operating Profit	\$ (33.74)	\$ (27.43)	\$ (23.79)	\$ (2.26)	\$ (3.46)	\$ (3.71)	\$ (3.05)	\$ (12.48)	\$ (1.88)	\$ (1.94)	\$ (2.00)	\$ (2.06)	\$ (7.88)	\$ (2.59)
Interest Income	\$ 0.00	\$ 0.37	\$ 0.79	\$ 0.17	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.49	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.42	\$ 0.42
Interest expense	\$ (0.07)	\$ (0.05)	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.04)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.03)
Loss on settlement of debt	\$ -	\$ -	\$ -	\$ (0.01)	\$ -	\$ -	\$ -	\$ (0.01)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gain (loss) on remeasurement of financial liability	\$ 0.05	\$ 0.12	\$ 4.94	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gain (loss) on change in fair value of derivative liability	\$ 0.68	\$ 0.52	\$ 0.21	\$ 0.02	\$ 0.01	\$ -	\$ -	\$ 0.03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gain (loss) on changes in fair value of investments	\$ (0.86)	\$ (0.23)	\$ (0.38)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pretax Income	\$ (33.94)	\$ (26.70)	\$ (18.23)	\$ (2.09)	\$ (3.35)	\$ (3.62)	\$ (2.95)	\$ (12.01)	\$ (1.79)	\$ (1.84)	\$ (1.90)	\$ (1.96)	\$ (7.49)	\$ (2.20)
Total Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income From Continuing Operations	\$ (33.94)	\$ (26.70)	\$ (18.23)	\$ (2.09)	\$ (3.35)	\$ (3.62)	\$ (2.95)	\$ (12.01)	\$ (1.79)	\$ (1.84)	\$ (1.90)	\$ (1.96)	\$ (7.49)	\$ (2.20)
Shares for Basic EPS	34.95	38.73	39.59	39.65	41.68	1.30	3.68	3.68	4.86	4.86	4.86	4.86	4.86	7.24
Shares for Diluted EPS	34.95	38.73	39.59	39.65	41.68	1.30	3.68	3.68	4.86	4.86	4.86	4.86	4.86	7.24
EPS Basic	\$ (0.97)	\$ (0.69)	\$ (0.46)	\$ (0.05)	\$ (0.08)	\$ (2.78)	\$ (0.80)	\$ (3.27)	\$ (0.37)	\$ (0.38)	\$ (0.39)	\$ (0.40)	\$ (1.54)	\$ (0.30)
EPS Diluted	\$ (0.97)	\$ (0.69)	\$ (0.46)	\$ (0.05)	\$ (0.08)	\$ (2.78)	\$ (0.80)	\$ (3.27)	\$ (0.37)	\$ (0.38)	\$ (0.39)	\$ (0.40)	\$ (1.54)	\$ (0.30)

Quantum BioPharma Ltd

Balance Sheet

\$ in Millions

	2021 Actual	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated	2026 Estimated
	Fiscal 2021A	Fiscal 2022A	Fiscal 2023A	Fiscal 2024E	Fiscal 2025E	Fiscal 2026E
Cash and Cash Equivalents	\$ 35.26	\$ 16.98	\$ 2.76	\$ 2.42	\$ 3.87	\$ 4.98
Other receivables	\$ 0.50	\$ 0.37	\$ 0.23	\$ 1.00	\$ 1.50	\$ 1.50
Prepaid Expenses	\$ 1.37	\$ 0.47	\$ 0.16	\$ 1.00	\$ 2.00	\$ 7.48
Investments	\$ 0.16	\$ -	\$ 0.76	\$ 0.76	\$ 0.76	\$ 0.76
Note receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Finance receivables	\$ -	\$ -	\$ 7.19	\$ 7.19	\$ 7.19	\$ 7.19
Net investment in lease	\$ -	\$ 0.02	\$ -	\$ -	\$ -	\$ -
Assets held for sale	\$ 8.65	\$ -	\$ -	\$ -	\$ -	\$ -
Total Current Assets	\$ 45.93	\$ 17.85	\$ 11.09	\$ 12.36	\$ 15.31	\$ 21.90
Property and Equipment, net	\$ -	\$ 0.11	\$ 0.09	\$ 0.28	\$ 0.47	\$ 0.66
Investments	\$ 0.66	\$ 0.83	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
Right of use asset	\$ 0.17	\$ 0.16	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03
Finance receivables	\$ -	\$ 7.43	\$ 0.91	\$ 0.91	\$ 0.91	\$ 0.91
Intangible assets	\$ 16.20	\$ 12.04	\$ 5.36	\$ 7.57	\$ 10.25	\$ 22.75
TOTAL ASSETS	\$ 62.96	\$ 38.41	\$ 17.47	\$ 21.16	\$ 26.98	\$ 46.27
Accounts payable	\$ 7.51	\$ 7.11	\$ 4.20	\$ 9.50	\$ 17.37	\$ 28.41
Lease obligations	\$ 0.12	\$ 0.18	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04
Warrants liability	\$ 0.77	\$ 0.24	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03
Notes Payable	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30
Total Current Liabilities	\$ 8.70	\$ 7.83	\$ 4.57	\$ 9.87	\$ 17.74	\$ 28.78
Lease obligations	\$ 0.13	\$ 0.04	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	\$ 8.83	\$ 7.87	\$ 4.57	\$ 9.87	\$ 17.74	\$ 28.78
Common Stock - Par Value	\$ 152.32	\$ 143.41	\$ 137.78	\$ 148.17	\$ 153.62	\$ 164.06
Warrants	\$ 5.14	\$ 2.14	\$ 2.72	\$ 2.72	\$ 2.72	\$ 2.72
Contributed surplus	\$ 22.58	\$ 28.50	\$ 30.23	\$ 30.23	\$ 30.23	\$ 30.23
Foreign exchange translation reserve	\$ 0.24	\$ 0.65	\$ 0.42	\$ 0.42	\$ 0.42	\$ 0.42
Retained Earnings (Deficit)	\$ (126.15)	\$ (144.16)	\$ (157.91)	\$ (169.92)	\$ (177.41)	\$ (179.62)
Non-controlling interest	\$ -	\$ -	\$ (0.33)	\$ (0.33)	\$ (0.33)	\$ (0.33)
TOTAL EQUITY	\$ 54.13	\$ 30.54	\$ 12.91	\$ 11.29	\$ 9.24	\$ 17.48
TOTAL LIABILITIES & EQUITY	\$ 62.96	\$ 38.41	\$ 17.47	\$ 21.16	\$ 26.98	\$ 46.27

Quantum BioPharma Ltd

Cash Flow Statement

\$ in Millions

	2021 Actual	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated	2026 Estimated
	Fiscal 2021A	Fiscal 2022A	Fiscal 2023A	Fiscal 2024E	Fiscal 2025E	Fiscal 2026E
Net Income	\$ (33.94)	\$ (26.70)	\$ (18.23)	\$ (12.01)	\$ (7.49)	\$ (2.20)
Depreciation & Amortization	\$ 4.05	\$ 4.53	\$ 2.51	\$ 2.51	\$ 2.51	\$ 2.51
Impairment of right-of-use asset	\$ -	\$ -	\$ 4.56	\$ -	\$ -	\$ -
Interest Expense	\$ 0.07	\$ 0.06	\$ 0.02	\$ -	\$ -	\$ -
Change in fair value of investments	\$ 0.86	\$ 0.23	\$ 0.38	\$ -	\$ -	\$ -
Change in fair value of derivative liability	\$ (0.68)	\$ (0.52)	\$ (0.21)	\$ -	\$ -	\$ -
Share-based Compensation	\$ 7.44	\$ 1.53	\$ 3.84	\$ 0.39	\$ 0.45	\$ 0.45
Unrealized foreign exchange loss (gain)	\$ -	\$ 0.93	\$ (0.38)	\$ -	\$ -	\$ -
Gain on settlement of financial liability	\$ (0.05)	\$ (0.12)	\$ (4.94)	\$ -	\$ -	\$ -
Gain on net investment in lease	\$ -	\$ (0.02)	\$ -	\$ -	\$ -	\$ -
Finance receivables	\$ -	\$ (7.43)	\$ (0.66)	\$ -	\$ -	\$ -
Other receivables	\$ (0.11)	\$ 0.22	\$ 0.16	\$ (0.77)	\$ (0.50)	\$ -
Prepaid expenses	\$ (0.61)	\$ 0.80	\$ 0.32	\$ (0.84)	\$ (1.00)	\$ (5.48)
Other assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.00
Accounts Payable	\$ 3.60	\$ (0.70)	\$ (0.22)	\$ 5.30	\$ 7.87	\$ 11.04
Other liabilities	\$ -	\$ -	\$ 2.05	\$ -	\$ -	\$ -
Operating Activities - Net Cash Flow	\$ (20.75)	\$ (28.33)	\$ (10.83)	\$ (5.42)	\$ 1.83	\$ 6.32
Purchase Of Property and Equipment	\$ -	\$ (0.11)	\$ -	\$ (0.20)	\$ (0.20)	\$ (0.20)
Purchase of investments	\$ -	\$ (0.40)	\$ (0.74)	\$ -	\$ -	\$ -
Additions to intangible assets	\$ -	\$ (0.25)	\$ -	\$ (1.00)	\$ (1.00)	\$ -
Other	\$ 0.27	\$ 12.89	\$ 0.47	\$ (3.72)	\$ (4.18)	\$ (15.00)
Investing Activities - Net Cash Flow	\$ 0.27	\$ 12.12	\$ (0.27)	\$ (4.92)	\$ (5.38)	\$ (15.20)
Share repurchase	\$ -	\$ (1.93)	\$ (2.96)	\$ -	\$ -	\$ -
Proceeds from issuance of shares	\$ 38.34	\$ -	\$ 0.00	\$ 10.00	\$ 5.00	\$ 10.00
Exercising of options	\$ -	\$ -	\$ 0.02	\$ -	\$ -	\$ -
Proceeds from notes payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payment of notes payable	\$ (0.07)	\$ -	\$ -	\$ -	\$ -	\$ -
Payment of lease obligation	\$ (0.06)	\$ (0.14)	\$ (0.19)	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Financing Activities - Net Cash Flow	\$ 38.21	\$ (2.07)	\$ (3.13)	\$ 10.00	\$ 5.00	\$ 10.00
Exchange Rate Effect	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and Equivalents - Change	\$ 17.735	\$ (18.28)	\$ (14.22)	\$ (0.34)	\$ 1.45	\$ 1.12
Cash Beginning	\$ 17.52	\$ 35.26	\$ 16.98	\$ 2.76	\$ 2.42	\$ 3.87
Cash End	\$ 35.26	\$ 16.98	\$ 2.76	\$ 2.42	\$ 3.87	\$ 4.98