Action Summary – 16 December 2019

Analyst Theodore R. O'Neill ***is initiating coverage of Q BioMed Inc.***

- **We are initiating coverage of Q BioMed Inc. with a Buy rating and an $5.00 price target.** Q BioMed Inc. aims to accelerate the monetization of biomedical technologies through rapid innovation and collaborative partnerships with industry leading researchers
- **We expect revenue from its non-opiate based metastatic cancer bone pain management product (Metastron and its generic) to begin next year and believe demand will exceed expectations**
- **We believe that CDC guidelines for prescribing opioids for chronic pain are going to advance sales of Metastron and its generic. Given the paperwork and monitoring required for prescribing opioids for chronic pain, prescribing Metastron or its generic will be a welcome alternative.** There is also the potential for label extension to treat bone cancer which would more than double the market opportunity
- **Diversified and growing portfolio of products and milestones.** The company has a pipeline of other products under development to treat liver cancer, glaucoma, kidney and vascular diseases
- **Shares appear to be priced significantly below absolute and comparative metrics: 2021 EV/Sales is a 76% discount to peers**

12/13 Closing price: $1.46	**Market cap: $24 million**	**Multiple of book: NMF**	**EV/2021 Sales: 1.00**
Shares outstanding: 16.7 million	**Insider ownership: 28%**	**Avg. trading volume: 68,000**	**Dividend/Yield: NA/NA**

GAAP estimates (EPS in dollars – Revenue in millions)

Period	EPS	Revenue	Op Margin
1Q19A	($0.16)	$0.00	
2Q19A	($0.20)	$0.00	
3Q19A	($0.17)	$0.00	
4Q19E	($0.17)	$0.00	
FY19E	($0.70)	$0.00	NMF
1Q20E	($0.13)	$00.0	
2Q20E	($0.10)	$0.00	
3Q20E	($0.10)	$0.50	
4Q20E	($0.10)	$1.00	
FY20E	($0.42)	$1.50	NMF
1Q21E	($0.11)	$2.00	
2Q21E	($0.07)	$5.00	
3Q21E	$0.07	$9.00	
4Q21E	$0.13	$12.0	
FY21E	$0.01	$28.0	7,9%

Note: Numbers may not add due to rounding. See our full model in the back of this report.

Cash balance (in millions)

• 2018A	• $2.68
• 2019E	• $0.06
• 2020E	• $0.96
• 2021E	• $2.16

Debt (in millions)

• 2018A	• $2.87
• 2019E	• $3.00
• 2020E	• $3.00
• 2021E	• $3.00

Risks/Valuation

- Risks include: Except for its Strontium Chloride 89 the company has not completed testing any of its product candidates
- Our $5.00 target is derived using a discounted future earnings model

Company description: Q BioMed Inc. is a biotech acceleration and commercial stage company focused on licensing and acquiring undervalued biomedical assets in the healthcare sector. Based in NYC

Figure 1 – Q BioMed Inc. - Trading snapshot

Source: Refinitiv Eikon

Investment Thesis

We expect revenue from its non-opiate based cancer metastatic bone pain management product (Metastron and its generic, Strontium Chloride 89) to begin next year and believe demand will exceed expectations. The company has indicated that it will generate $25 million to $50 million annually, however we believe it will exceed those expectations

We believe that CDC guidelines for prescribing opioids for chronic pain from metastatic cancer are going to advance sales of Metastron and its generic. Given the paperwork and monitoring required for prescribing opioids for chronic pain, prescribing Metastron or its generic will be a welcome alternative. There is also the potential for label extension to treat bone cancer which would more than double the market opportunity which it believes could exceed $250 million per year

Diversified and growing portfolio of products and milestones. The company has a pipeline of other products under development to treat liver cancer, glaucoma, kidney and vascular diseases

Shares appear to be priced significantly below absolute and comparative metrics: 2021 EV/Sales is a 76% discount to peers

The recent spike in share price and volume (shown in Figure 1) was on day of the announcement that its Strontium Chloride 89 contract manufacturer received FDA approval which was the last hurdle to sales of the product approved in 22 countries.

Valuation Methodology

We believe QBIO is undervalued and we support that belief with a series of valuation techniques. We use two different techniques, below. For the purposes of determining our price target we use a discounted future earnings model. The following valuation techniques are being used:

1) The discounted value of all future earnings was used for our price target (see Figure 2)
2) Valuation relative to peers (see Figure 3)

Discounted Future Earnings – Basis for Price Target

Our 12-month price target of $5.00 is based on a discounted earnings model. As the company has been in clinical trials and awaiting FDA approval for its contract manufacturer, it has generated minimal, if any revenues and has not turned profitable leaving many traditional valuation metrics unusable. However, we believe that is going to change in FY20 now that the FDA has approved its contract manufacturers facility to make Metastron and its generic Strontium-89.

Our assumptions are that the company reaches breakeven in 2021 and that it begins taking meaningful share from the opioid market for metastatic bone cancer pain management. Our valuation model is shown in Figure 2 below. The model sums up all earnings per share, discounted at 10% to arrive at a per share value and terminal value growth is assumed to be GDP. Note, this model understates future novel product developments, probably understates the tax benefits, but offsetting that, the earnings never have a down year.

The implied share price is $5.32 which we discount round down to $5.00. Although this target is substantially above where the stock is currently, it has traded at and above that level many times in the last 5-years.

Figure 2 – Q BioMed Inc. – Price Target Calculation

Target Price:	**$5.32**		
Year	EPS	Discounted EPS	Share Count (Millions)
2019	(0.70)	(0.70)	15
2020	(0.39)	(0.35)	21
2021	0.01	0.01	21
2022	0.10	0.08	21
2023	0.20	0.14	22
2024	0.35	0.22	24
2025	0.49	0.28	26
2026	0.74	0.38	30
2027	0.76	0.35	32
2028	0.76	0.32	35
Terminal Value:		4.61	

Source: Litchfield Hills Research LLC

Valuation Relative to Peers

If we compare QBIO to a simple average of its peers (Figure 3), the shares sell at a significant discount on the one measure we can use for comparison: EV/Revenue. This metrics indicate the stock price should be more than 100% higher than where it is today. This supports our $5 price target. If the shares traded for $5.00 today, its 2021 EV/Revenue would still be below average. Details on each of the peers can be found in Figure 6 near the back of the report. The companies we used in Figure 6 are in similar lines of business although none of them are a perfect match. P/E measures will be included when the company is profitable.

Figure 3 – Q BioMed Inc. – Discount to Peers

	2021 EV / Revenue
Average	4.20
QBIO	1.00
Discount to peers	**76%**

Source: Litchfield Hills Research LLC and Refinitiv Eikon

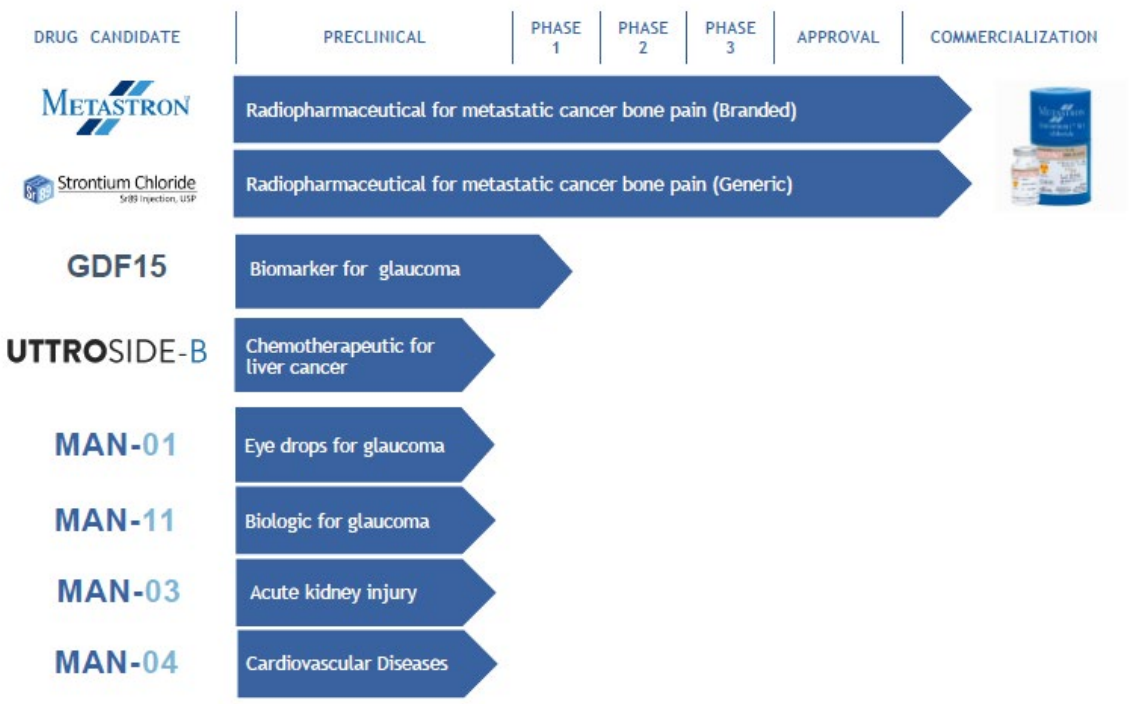
Guidance and Financial Forecasts

Company provides no guidance. The company has said that its FDA approved Metastron and its generic could generate $25 million to $50 million annually. Our forecast for 2021 revenue is within that range, however we believe the market could expand significantly. As a biomedical acceleration and development company, research and development are a core aspect of its business. In addition to fulfilling its obligations under the agreements pursuant to which it licenses some of its intellectual property, it will incur research and development expenses for the initiation of the Phase IV study for its Metastron product and Man 01 its Open Angle Glaucoma Drug as well as its chemotherapeutic liver cancer drug Uttroside B. In the fiscal years ended November 30, 2018 and 2017, It has incurred approximately $3.2 million and $3.1 million, respectively, on research and development activities. Built into our forecast is the expectation of a capital raise sometime in the next 12 months. As of the last filing, the cash balance was ~$300k.

Company Overview

QBIO is a biotechnology acceleration and development company focused on acquiring and in-licensing pre-clinical, clinical-stage and approved life sciences therapeutic products. It aims to accelerate the monetization of biomedical technologies through rapid innovation and collaborative partnerships with industry leading researchers. It has acquired or licensed assets in oncology and vascular disease that address unmet medical needs in large markets. Currently, It has a portfolio therapeutic products, including two FDA approved products, Metastron™ (approved in 22 countries) and its generic, Strontium 89 Chloride, a radiopharmaceutical for the non-opiate treatment of metastatic cancer bone pain, and several development stage products including: Uttroside-B for liver cancer, and MAN 01 for glaucoma as well as other MAN assets in development for infectious diseases, cardiovascular diseases and kidney disease (see Figure 4). It aims to maximize risk-adjusted returns by focusing on multiple assets throughout the discovery and development cycle. It expects to benefit from early positioning in illiquid and/or less well known privately-held assets, thereby enabling it to capitalize on valuation growth as these assets move forward in their development.

Figure 4 – Q BioMed Inc. – Diversified and growing portfolio of products and milestones



Source: Company Presentation and Litchfield Hills Research LLC

Product Pipeline

METASTRON – IP OWNED BY QBIO

On November 23, 2018, QBIO entered into an Asset Sale Agreement ("ASA") with GE Healthcare Limited ("GE") whereby it acquired GE's radiopharmaceutical drug, Metastron®, for cancer bone pain therapy. Metastron® is an FDA approved drug that GE had sold for over 20 years. In addition to continuing the sales of Metastron®, The company plans on exploring options to broaden the technology platform in scope to uses beyond metastatic cancer bone pain. Under the ASA, it also acquired all related intellectual property including, but not limited to sales and distribution data, market authorizations and trademarks for Metastron® in various countries.

Characteristics of Metastron and its generic, Strontium Chloride 89

- FDA-approved non-opioid for painful metastases ~110,000 cases yearly
- Medicare and Health Care Reimbursed
- Broadly Indicated to relieve bone pain from skeletal metastases from breast, lung prostate and other cancers
- Simultaneously targets all sites of metastatic bone pain
- ONE DOSE -Effective in 80% of patients and lasts average of 6 months
- Can be used with opioid based drugs and cancer therapeutics
- Studies demonstrated a prolonged progression-free result and overall survival with acceptable toxicity

- Ph2 Trial showed 9-month survival benefit (vs 2 months in Blockbuster competitor) –A Planned Ph4 trial to confirm this will exponentially increase potential revenue

Metastron® (Strontium89) is an FDA approved drug for pain palliation in bone metastases, primarily from breast, prostate and lung cancers. It is Medicare and Healthcare insurance reimbursable. It is a pure beta emitting radiopharmaceutical. It is a chemical analog of calcium and for this reason, localizes in bone. There is a significant concentration of both calcium and strontium analogs at the site of active osteoblastic activity. This is the biochemical basis for its use in treating metastatic bone disease.

We believe that CDC guidelines for prescribing opioids for chronic pain are going to advance sales of Metastron and its generic. Given the paperwork and monitoring now required for prescribing opioids for chronic pain, prescribing Metastron or its generic may be a welcome relief. According to the Journal of the American Medical Association, of primary importance in the 2016 CDC guidelines is that "nonopioid therapy is preferred for treatment of chronic pain. Opioids should be used only when benefits for pain and function are expected to outweigh risks. Before starting opioids, clinicians should establish treatment goals with patients and consider how opioids will be discontinued if benefits do not outweigh risks. When opioids are used, clinicians should prescribe the lowest effective dosage, carefully reassess benefits and risks when considering increasing dosage to 50 morphine milligram equivalents or more per day, and avoid concurrent opioids and benzodiazepines whenever possible. Clinicians should evaluate benefits and harms of continued opioid therapy with patients every 3 months or more frequently and review prescription drug monitoring program data, when available, for high-risk combinations or dosages."

Strontium89 shows prolonged retention in metastatic bone lesions with a biological half-life of over 50 days, remaining up to 100 days after injection of the radiopharmaceutical, whereas the half-life in normal bone tissue is approximately 14 days. Strontium-89 has been shown to decrease pain in patients with osteoblastic metastases resulting from prostate cancer. When Strontium89 Chloride is used, pain palliation occurs in up to 80% of patients within 2 to 3 weeks after administration and lasts from 3 to 12 months with an average of about 6 months.

The product is administered intravenously once every three months as an alternative to opioid analgesics and plays a critical role in the treatment of metastatic bone pain. The product has a long history of providing well-documented and significant pain relief for patients suffering from the excruciating pain associated with primary cancers that have spread to the bone, including breast, prostate, lung and others. This is the ideal time to be launching Strontium-89 given the current concerns with the over-use of opioid drugs. In addition, as more therapies come to market for the treatment of primary cancers, more people are living longer with metastatic disease. It is estimated the approximately 2,000,000 around the world are suffering from pain associated with metastatic disease in the bone. In the United States, of the estimated 450,000 individuals newly diagnosed with either breast or prostate cancer, one in three will develop bone metastases, a common cause of pain in cancer patients. These figures are expected to increase as the potential patient population ages. The opportunity to provide significant pain relief to this group is substantial. See Figure 5.

The National Institute for Health and Care Excellence's clinical guideline on "Prostate cancer: diagnosis and treatment" (2014) stated that "Strontium-89 should be considered for men with hormone-relapsed prostate cancer and painful bone metastases, especially those men who are unlikely to receive myelosuppressive chemotherapy".

Strontium-89 is a non-opioid drug for the treatment of debilitating metastatic cancer pain in the bone. We believe there is a significant opportunity to market this effective drug as practitioners and caregivers are being encouraged to reexamine their use of opiates for treating patients in pain. We estimate the palliation market to be approximately $300 million annually. Additional therapeutic indications for Strontium 89 are possible, and it intends to pursue those in 2019-2020. With the FDA approval to its contract manufacturer, IsoTherapeutics Group LLC ("ITG") is now cleared to manufacture the FDA approved non-opioid cancer bone pain drug Strontium-89 Chloride USP.

Q BioMed is now the only FDA-approved source for this drug in the western world. The Company is activating its planned commercial operations to support marketing, sales, and distribution in the U.S. and, soon, in the rest of the world.

Figure 5 – Q BioMed Inc. – Metastatic Bone Cancer Treatment Options and Revenue Model

Treatment Comparative Analysis

Characteristics	Opioids	Metastron (Sr89)
Action	On the central nervous system	Reduction of tumor mass
Pain Palliation Begins **Pain Palliation Last**	Within 15 to 20 min 3 - 4 Hours	1 to 2 weeks after administration 3 to 12 Months (Average: 6 months)
Side Effects	Confusion, depression, sleepiness, nausea, constipation, vomiting. Gradual resistance, creating need of higher doses	Transient mild myelo-suppression between 4 to 8 weeks after administration, with complete recovery within 3 months
Need of Hospitalization	Requires regular administration and nursing care	No

Potential Revenue Targets

Indication	Market	Revenue
Cancer Bone Pain	3000 - 6000 Doses @ $10000/Dose 1500-3000 Patients	FY2021 Approx.: $25,000,0000 - $50M
Future Possibility **Therapeutic Bone Cancer**	30 - 60,000 Doses @ $10,000/Dose 5000 - 10000 Patients 5-10% of the Patient Population	FY 2023 Approx.: $250M - $500,000,000

Source: Company presentation

The Company plans to actively market this product and intends to take the following steps:

Establish scientific relevance and credibility

- Create a METASTRON/SR89 Key Opinion Leader (KOL) Advisory Board
- Members will include key academic faculty, high volume treaters and METASTRON/SR89 loyalists
- Members will assist in developing phase IV clinical development plan, creation of publications, and deliver symposia at national conferences
- Generate meta-analysis publication validating efficacy by Q4'19

Generate awareness and demand for METASTRON/SR89

- Create awareness that METASTRON/SR89 is "coming soon" through a teaser campaign
- Target primary customer base via digital channels and congresses
- Deepen awareness and stimulate prescribing with brand launch campaign and sales efforts
- Campaign communications and sales will reach customers through targeted digital marketing, tele sales and focused commercial team sales calls
- Extend reach and influence via robust scientific congress and speaker program

MANNIN INTELLECTUAL PROPERTY

The Mannin IP is initially focused on developing a first-in-class eye drop treatment for glaucoma. The technology platform may be expanded in scope beyond ophthalmological uses and may include cystic kidney disease, cardiovascular diseases and infectious disease. This platform technology has application in many disease states that result in 'leaky' vessels and the inefficient flow of fluids. Q BioMed has an exclusive option on all Mannin portfolio assets.

MAN 01 – New Vascular Therapeutics including Primary Open Angle Glaucoma

Mannin is utilizing a proprietary research platform technology to address the need for a new class of drugs to treat various vascular diseases. Its lead indication is for a first-in-class therapeutic eye-drop for the treatment of Primary Open Angle Glaucoma.

QBIO is developing a first-in-class drug targeting the Schlemm's canal and its role in regulating interocular eye pressure, one of the leading causes of glaucoma. No other glaucoma company is targeting the Schlemm's canal, the main drainage pathway in the eye. This unique vessel is responsible for 70-90% of the fluid drainage in the eye. The MAN 01 drug is currently in the lead optimization stage of its pre-clinical testing. It has also partnered with expert formulation and drug delivery specialists to assist in the final formulation of the novel eye drop treatment. We expect it to initiate IND enabling studies and file an IND in late 2019 or early 2020, to be flowed by a short phase 1 clinical trial lasting approximately 3 months.

A deep pipeline of novel therapeutics is being developed from this research platform, which would treat a spectrum of vascular diseases including Cystic Kidney Disease, cardiovascular disease and infectious diseases. It presented data at the American Society for Nephrology in November that showed positive data on a potential new treatment for acute kidney injury (AKI). We expect it to advance these efforts further in 2020.

GDF15 - A Novel Biomarker for the detection and measurement of Glaucoma

It has an option to exclusively license GDF15, a diagnostic marker for determining the severity of glaucoma using the expression levels of Growth Differentiation Factor 15 (GDF15) from Washington University in St. Louis. Determining the severity of glaucoma using this biomarker will aid in treatment decisions for patients diagnosed with, and being treated for, glaucoma.

Currently, no single examination or diagnostic test is able to accurately predict disease progression. Accurate monitoring for disease progression is critical to preserve visual function in glaucoma patients. Today, physicians only have surrogate measures to evaluate glaucomatous neurodegeneration. GDF15 represents an attractive biomarker for glaucoma with distinct advantages including early detection, over conventional clinical tests and has the potential to be a first-in-class diagnostic test. GDF15 was discovered by Dr. Rajendra Apte, the Paul A. Cibis Distinguished Professor of Ophthalmology and Visual Sciences at Washington University School of Medicine. Dr Apte is currently conducting a clinical trial to further validate GDF15 as a surrogate clinical tool in the treatment of Glaucoma patients.

Q BioMed plans to offer the GDF15 biomarker as a companion diagnostic to its MAN-01 small molecule therapeutic with a novel mechanism of action for Primary Open-Angle Glaucoma. By offering both a diagnostic and a therapeutic, Q BioMed and its technology partner Mannin Research Inc. are addressing the needs of both patients and physicians, as well as bringing innovation to the global glaucoma market.

RGCB AND OMRF INTELLECTUAL PROPERTY – UTTROSIDE B LIVER CANCER CHEMOTHERAPEUTIC

The RGCB and OMRF IP is related to Uttroside-B. Uttroside-B is a chemical compound derived from the leaves of the plant Solanum nigrum Linn, also known as Black Nightshade. QBIO seeks to use the Uttroside-B IP to create a chemotherapeutic agent against liver cancer.

UTTROSIDE-B - A Novel Chemotherapeutic for Liver Cancer

Hepatocellular carcinoma (HCC) is the fifth most diagnosed cancer in the world and the third leading cause of death. Incidence rates have tripled since 1980. Unfortunately, when diagnosed two thirds of patients have an advanced disease for which only palliative treatment can be proposed and most likely systemic therapy. Today, very few systemic therapies have been validated in the treatment of advanced HCC, tyrosine kinase inhibitors (TKI): Sorafenib (Nexavar) and regorafenib (Stivarga), and lenvatinib (Lenvima). Treatment options are therefore lacking. Other TKIs have been studied with some disappointing results. Current sales of Sorafenib are estimated at $1 billion per year.

The liver is the football-sized organ in the upper right area of the belly. Symptoms of liver cancer are uncommon in the early stages. Liver cancer treatments vary, but may include removal of part of the liver, liver transplant, chemotherapy, and in some cases radiation. Primary liver cancer (hepatocellular carcinoma) tends to occur in livers damaged by birth defects, alcohol abuse, or chronic infection with diseases such as hepatitis B and C, hemochromatosis (a hereditary disease associated with too much iron in the liver), and cirrhosis. In the United States, the average age at onset of liver cancer is 63 years. Men are more likely to develop liver cancer than women, by a ratio of 2 to 1.

Uttroside-B appears to affect phosphorylated JNK (pro survival signaling) and capcase activity (apoptosis in liver cancer). It is a natural compound fractionated Saponin derived from the Solanum nigrum plant. It is a small molecule that showed in early investigation to increase the cytotoxicity of a variety of liver cancer cell types and importantly to be up to ten times more potent than Sorafenib in pre-clinical studies. Working with a partner and after completing some very complicated chemistry work, QBIO believes it will soon have a final molecule and several analogues.

Patents and Intellectual Property Rights

If products it acquires do not have adequate intellectual protection, QBIO will take the necessary steps to protect its proprietary therapeutic product candidate assets and associated technologies that are important to its business consisting of seeking and maintaining domestic and international patents.

It holds a license to all intellectual property related to each of (i) MAN 01, the drug candidate for the treatment of Primary Open Angle Glaucoma, (ii) SR89, its generic Strontium 89 Chloride product candidate for metastatic cancer bone pain therapy, and (iii) the Uttroside platform.

ASDERA INTELLECTUAL PROPERTY – QBM001

On Nov. 27, 2019, QBIO notified ASDERA that its agreement with them had been rescinded retroactively as of April 21, 2017 (date of original license agreement). QBIO will continue to develop unique technologies for the benefit of underserved patient populations.

Competition

Q BioMed operates in highly competitive segments of the biotechnology and biopharmaceutical markets and there is not clear competitor with the same product portfolio. To evaluate competitors to each of its product segments, we prepared Figure 6.

Management

Mr. Denis Corin has been the Chief Executive Officer and Chairman of the Board of the Company since April 21, 2015. He has worked for large pharmaceutical (Novartis) and diagnostic instrumentation companies (Beckman Coulter) in their sales organizations responsible for sales in multi-product disciplines including pharmaceuticals and diagnostics and diagnostic automation equipment. After Novartis and Beckman Coulter, he served as Director of Investor Relations in the small-cap biotech arena at MIV Therapeutics Inc, a company specializing in next generation drug delivery and

drug eluting cardiovascular stents. Mr. Corin served as an executive and on the board of directors of TapImmune Inc. from July 2009 to May 2012. He received his Bachelor degrees in Economics and Marketing from the University of Natal, South Africa in 1996.

Mr. William Rosenstadt was appointed as the Company's general counsel and member of the Company's board of directors on June 1, 2015. Mr. Rosenstadt is a practicing corporate and securities lawyer. He is also the founding member and the managing partner of Ortoli Rosenstadt LLP, a law firm, formed in 2006. Mr. Rosenstadt received his Juris Doctorate from Benjamin N. Cardozo School of Law in 1995 and his Bachelor of Arts from Syracuse University in 1990.

Dr. Rick Panicucci was appointed as a member of the Company's board of directors on February 13, 2018. Dr. Panicucci specializes in the early stages of drug discovery for various companies. His responsibilities include solid state chemistry and formulation development of all small molecule therapeutics in early development and developing novel drug delivery technologies for small molecules and large molecules including siRNA. Since September 2015, Dr. Panicucci has been working with one of QBIO's licensors, Mannin Research Inc., in the development plan for MAN-01, a novel drug candidate that we license for the topical treatment of open-angle glaucoma. Since February 2015, he has served as the Vice President of Pharmaceutical Development at WuXi AppTec, where he is responsible for providing scientific leadership in the areas of Developability, Formulation Development and GMP Manufacturing. Prior to WuXi he held the position of Global Head of Chemical and Pharmaceutical Profiling (CPP) at Novartis from 2004 to 2015, where he led the development and implementation of innovative dosage form designs and continuous manufacturing paradigms. He has also held positions as the Director of Formulation Development at Vertex Pharmaceuticals and Senior Scientist at Biogen.

Dr. Panicucci received his Ph.D. in Physical Organic Chemistry at the University of Toronto and has two postdoctoral fellowships at University of California at Santa Barbara and the Ontario Cancer Institute. Dr. Panicucci will continue advise on the scientific and commercial development of the MAN-01 glaucoma drug with Mannin Research Inc. He will also now provide insight and guidance on all pipeline assets.

Figure 6 – Q BioMed Inc. – Comp Table

Comp to Segment	Ticker	Company Name	Closing Price	Market Cap ($ Millions)	EV ($ Millions)	2021 EV / Revenue
Radiopharmaceutical	LLY	Eli Lilly and Co	$121.57	116,848	130,500	5.54
Radiopharmaceutical	BAYGn.DE	Bayer AG	$71.01	77,631	120,378	2.41
Radiopharmaceutical	LNTH.O	Lantheus Holdings Inc	$20.25	810	928	2.37
Radiopharmaceutical	CLVS.O	Clovis Oncology Inc	$12.90	736	1,046	5.29
Radiopharmaceutical	OMER.O	Omeros Corp	$13.26	705	836	5.47
Radiopharmaceutical	NAVB.K	Navidea Biopharmaceu	$1.06	21	19	8.10
Opthamology	AGN	Allergan plc	$188.09	61,805	79,797	5.05
Opthamology	ALC	Alcon AG	$55.72	27,378	30,363	3.91
Opthamology	AERI.O	Aerie Pharmaceuticals	$22.58	1,024	866	8.67
Opthamology	AKRX.O	Akorn Inc	$3.58	465	1,099	1.55
Opthamology	OCUL.O	Ocular Therapeutix Inc	$4.06	195	177	4.92
Liver Cancer	BAYGn.DE	Bayer AG	$71.01	77,631	120,378	2.41
Liver Cancer	ESALY.PK	Eisai Co Ltd	$75.83	22,523	21,018	3.41
Liver Cancer	CANF.TA	Can Fite Biopharma Ltd	$38.90	13	9	
Kidney Disease	APLS.O	Apellis Pharmaceuticals	$27.71	1,742	1,449	
Kidney Disease	AKBA.O	Akebia Therapeutics In	$6.40	755	610	1.86
Kidney Disease	RTRX.O	Retrophin Inc	$14.26	594	389	2.09
		Average				**4.20**
Multiple	QBIO.PK	Q BioMed Inc	$1.41	23	28	1.00
		Q BioMed Discount to peers:				76%

Source: Litchfield Hills Research LLC and Refinitiv Eikon (formerly Thomson Reuters Eikon)

Figure 7 – Q BioMed Inc. – Income Statement

($ in thousands except per share)

November ending year	2017		2018		2019E			2019E		2020E			2020E		2021E			2021E
	Year	Q4	Year	Q1A	Q2A	Q3A	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Year
Total revenue	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.50	$1.00	$1.50	$2.00	$5.00	$9.00	$12.00	$28.00
Cost of Goods	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.40	0.80	1.20	1.60	3.50	4.50	6.00	15.60
Gross Profit	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.10**	**0.20**	**0.30**	**0.40**	**1.50**	**4.50**	**6.00**	**12.40**
SG&A	9.27	1.23	5.78	1.24	1.20	0.97	1.00	4.41	1.10	1.20	1.30	1.40	5.00	1.30	1.50	1.60	1.80	6.20
R&D	3.10	0.61	3.24	0.81	1.07	0.79	1.00	3.67	1.00	1.00	1.00	1.00	4.00	1.00	1.00	1.00	1.00	4.00
Total Operating Expenses	12.37	1.85	9.02	2.06	2.27	1.75	2.00	8.08	2.10	2.20	2.30	2.40	9.00	2.30	2.50	2.60	2.80	10.20
Operating Income	**(12.37)**	**(1.85)**	**(9.02)**	**(2.06)**	**(2.27)**	**(1.75)**	**(2.00)**	**(8.08)**	**(2.10)**	**(2.20)**	**(2.20)**	**(2.20)**	**(8.70)**	**(1.90)**	**(1.00)**	**1.90**	**3.20**	**2.20**
Total Other Items	(2.17)	(0.26)	(0.25)	(0.32)	(0.62)	(0.79)	(0.50)	(2.23)	0.15	0.15	0.15	0.15	0.60	(0.50)	(0.50)	(0.50)	(0.50)	(2.00)
Pre-Tax Income	**($14.54)**	**($2.10)**	**($9.27)**	**($2.38)**	**($2.89)**	**($2.55)**	**($2.50)**	**($10.31)**	**($1.95)**	**($2.05)**	**($2.05)**	**($2.05)**	**($8.10)**	**($2.40)**	**($1.50)**	**$1.40**	**$2.70**	**$0.20**
Taxes (benefit)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tax Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income (loss)	**($14.54)**	**($2.10)**	**($9.27)**	**($2.38)**	**($2.89)**	**($2.55)**	**($2.50)**	**($10.31)**	**($1.95)**	**($2.05)**	**($2.05)**	**($2.05)**	**($8.10)**	**($2.40)**	**($1.50)**	**$1.40**	**$2.70**	**$0.20**
EPS, as reported	**(1.39)**	**(0.15)**	**(0.67)**	**(0.16)**	**(0.20)**	**(0.17)**	**(0.17)**	**(0.70)**	**(0.13)**	**(0.10)**	**(0.10)**	**(0.10)**	**(0.42)**	**(0.11)**	**(0.07)**	**0.07**	**0.13**	**0.01**
Diluted Shares Outstanding	10	14	14	14	15	15	15	15	15	21	21	21	20	21	21	21	21	21

Source: Company reports and Litchfield Hills Research LLC

Figure 8 – Q BioMed Inc. – Balance Sheet

($ in millions except per share)

November ending year	FY2021E	FY2020E	FY2019E	FY2018	FY2017
Balance sheet					
Current Assets					
Cash and S.T.I.	$2.16	$0.96	$0.06	$2.68	$0.82
Accounts receivable	0.00	0.00	0.00	0.00	0.00
Inventories	0.00	0.00	0.00	0.00	0.00
Other assets	0.01	0.01	0.01	0.01	0.00
Total Current Assets	**2.18**	**0.98**	**0.08**	**2.70**	**0.83**
Net PP&E	0.00	0.00	0.00	0.00	0.00
Other non-current assets	0.50	0.50	0.50	0.50	0.00
Total Assets	**$2.68**	**$1.48**	**$0.58**	**$3.20**	**$0.83**
Current Liabilities					
Accounts payable and accrued exp.	$8.00	$7.00	$3.00	$0.43	$0.47
Short-term notes payable	0.00	0.00	1.00	0.00	0.00
Other current liabilities	0.00	0.00	0.00	0.00	0.00
Total current liabilities	**8.00**	**7.00**	**4.00**	**0.43**	**0.47**
Conv. and Long Term Debt	5.00	5.00	5.00	2.87	0.00
Other non-current	0.00	0.00	0.00	0.00	0.00
Total Liabilities	**13.00**	**12.00**	**9.00**	**3.30**	**0.47**
Stockholders' Equity					
Preferred stock	0.00	0.00	0.00	0.00	0.00
Common stock	0.00	0.00	0.00	0.01	0.01
Additional paid-in-capital	40.00	40.00	34.00	31.99	23.19
Retained earnings	(50.32)	(50.52)	(42.42)	(32.11)	(22.84)
Cum. trans. adj. and treasury stock	0.00	0.00	0.00	0.00	0.00
Total stockholders' equity	(10.32)	(10.52)	(8.42)	(0.11)	0.36
Total Liabilities and equity	**$2.68**	**$1.48**	**$0.58**	**$3.20**	**$0.83**

Source: Company reports and Litchfield Hills Research LLC

Figure 9 – Q BioMed Inc. – Cash Flow

Cash Flow	2021E	2020E	2019E	2018	2017
Net Income	$0.20	($8.10)	($10.31)	($9.27)	($14.54)
Accounts receivable	0.00	0.00	0.00	0.00	0.00
Inventories	0.00	0.00	0.00	0.00	0.00
Other assets	0.00	0.00	0.00	(0.01)	(0.00)
PP&E	0.00	0.00	0.00	0.00	0.00
Other non-current	0.00	0.00	0.00	(0.50)	0.00
Accounts payable and accrued exp.	1.00	4.00	2.57	(0.04)	(0.15)
Short-term notes payable	0.00	(1.00)	1.00	0.00	(2.39)
Other current liabilities	0.00	0.00	0.00	0.00	(0.27)
Conv. and Long Term Debt	0.00	0.00	2.13	2.87	(0.23)
Other non-current	0.00	0.00	0.00	0.00	0.00
Preferred stock	0.00	0.00	0.00	0.00	0.00
Common stock	0.00	0.00	(0.01)	0.00	0.00
Additional paid-in-capital	0.00	6.00	2.01	8.81	16.94
Stock subscription receivable	0.00	0.00	0.00	0.00	0.00
Other				0.00	0.00
Total Cash Flow	$1.20	$0.90	($2.62)	$1.86	($0.64)

Source: Litchfield Hills Research LLC

Disclosures:

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