NanoViricides

Novel Technology With Broad-Spectrum Antiviral Applications In Development

Jul 06, 2026

Healthcare

NNVC

NYSE

Rating

Outperform

Initiation

Current Price

$1.33

Target Price

$6.00

Market Capitalization
30.57M

Shares Outstanding
22.98M

Float
22.36M

Institutional Holdings
8.27%

12-Month Low/High
$0.85/$2.22

Average 90-Day Volume
1060000

Fiscal Year End
06/30/2027

Revenues ($ MIL)

Period	2025E	2026E	2027
Q1	0.0	0.0A	0.0E
Q2	0.0	0.0A	0.0E
Q3	0.0	0.0A	0.0E
Q4	0.0	0.0E	0.0E
	0.0	0.0E	0.0E

EPS ($)

Period	2025A	2026E	2027E
Q1	(0.23)	(0.10)A	(0.10)E
Q2	(0.14)	(0.11)A	(0.11)E
Q3	(0.14)	(0.10)A	(0.12)E
Q4	(0.13)	(0.11)E	(0.13)E
	(0.63)	(0.43)E	(0.46)E

We Are Initiating Coverage With An Outperform Rating. NanoViricides has a proprietary technology platform that it has used to formulate antivirals with a unique mechanism of action. These drugs, called nanoviricides, have been designed to carry a peptide sequence that the virus recognizes as a binding site on a host cell, effectively acting as decoys that the virus binds to instead of healthy cells. Once bound to the drug, the virus is trapped and neutralized.

NV-387 Addresses Viral Outbreaks and Pandemic Preparedness. The lead product, NV-387, is in development for MPox, Ebola, and smallpox. A Phase 2a trial evaluating NV-387 for treating MPox in the Democratic Republic of Congo (DRC) is expected to begin treatment in mid-2027, followed by a Phase 2a in Ebola. Initial data is expected to be available toward the end of 2027.

Broad Spectrum Activity. The receptor that viruses use to attach to healthy cells is highly conserved across unrelated viral families. This similarity allows a single nanoviricide drug to have broad efficacy and neutralize many types of viruses. The glycoprotein sequence in the lead drug, NV-387, has shown preclinical efficacy against multiple viruses, giving potential for broad-spectrum activity and development for multiple diseases.

Focus On Orphan Conditions. The company has prioritized conditions eligible for Orphan Drugs Designation (ODD) with no effective therapies. The first two clinical indications for NV-387 are MPox and Ebola, diseases with outbreaks originating in Africa that have spread throughout the world. The current smallpox vaccines are used to treat MPox, but lack adequate manufacturing capacity to meet existing needs. Orphan Drug and Rare Pediatric Drug Designations have been received for Measles.

Conclusion. We expect NanoViricides to be driven by clinical progress of NN-387 in the MPox and Ebola trials, followed by the start of the Measles clinical program. Our valuation is based on successful trials in the MPox and Ebola indications, with approvals in 2027 and first sales revenues in 2028. We value NNVC based on FY2029 EPS of $0.95, discounted at 35% with a multiple of 15X. Our price target is $6 per share.

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Investment Summary

NanoViricides, Inc. is developing a novel class of broad-spectrum antiviral therapies. Its technology platform is based on discoveries by the Founder and Executive Chairman, Anil R. Diwan, Ph.D. The Company is headquartered in Shelton, Connecticut, where it maintains research and manufacturing facilities.

NanoViricides' technology platform has been used to develop drugs to target multiple viral pathogens. These drugs carry peptides that have been designed to mimic the surface markers on healthy cells that viruses use to attach and gain entry. The nanoviricide acts as a decoy, allowing the virus to bind to it rather than to a healthy cell. The size and flexible nature of the nanoviricides allow them to engulf the virus, neutralizing it and disabling its ability to infect cells. This lowers the viral load in the bloodstream, preventing symptoms in the host and stopping the spread of infection to others.

These binding receptors that viruses use for attachment are highly conserved, with many unrelated viral families sharing the same initial attachment mechanism. This allows a nanoviricide to neutralize multiple virus types. A single nanoviricide can exhibit broad-spectrum activity and be efficacious against many viral families.

This is a novel mechanism of action that differs from other antivirals and antibody treatments. Vaccines act by stimulating an antibody or cellular immune response. Antibody therapies target a specific surface protein. Most antiviral drugs act on the viral mRNA or block the virus's reproductive cycle. Nanoviricides differ from these categories and do not require the host immune response to destroy or clear the target virus.

Broad Spectrum Activity. The initial or attachment receptor that viruses use to attach to healthy cells is highly conserved across unrelated viral families. This similarity allows a single nanoviricide drug to have broad efficacy and neutralize many types of viruses. The glycoprotein sequence mimic in the lead drug, NV-387, has shown preclinical efficacy against multiple viruses, giving potential for broad-spectrum activity and drug development for many diseases.

The Company has also developed additional versions by modifying the glycopeptide and customizing it to mimic the special binding site of each family of viruses. This has achieved greater specificity and increased response.

Lead Product NV-387 Has Shown Broad Activity. The lead drug, NV-387, was developed with the NanoViricides technology. It is a polymer that carries sulfated proteoglycans, a class of peptide sequences that viruses recognize as surface markers of healthy cells. The viruses bind to them as if they were healthy cells. Once the virus binds to the nanoviricide, it is engulfed by the flexible polymer portion and destroyed.

The lead indications for NV-387 are in MPox/smallpox, Measles, and respiratory viruses. NV-387 has been formulated for multiple routes of administration, including oral solids (gummies), intravenous injection and infusion (IV), and inhalation (nebulization) to provide flexibility across different clinical settings and supply chain constraints.

MPox and Ebola Clinical Trials Are Pending. The Company is currently preparing for a Phase 2a trial testing NV-387 for the treatment of Mpox in the Democratic Republic of Congo (DRC). The start of the trial was delayed by an Ebola outbreak in May 2026 and is now expected to start in mid-2026.

A second Phase 2a trial testing NV-387 in Ebola is expected to begin shortly afterward. The trial has been approved by the regulatory authority, the Pillar Committee for Ebola Response, in the DRC. Approval by the National Ethics Committee is pending, to be followed by ACOREP (*Autorité Congolaise de Réglementation Pharmaceutique*) regulatory approval. We estimate approximately 4-6 weeks for these approvals and the beginning of the trial.

Focus On Orphan Conditions. The Company has prioritized conditions for which there are no effective therapies. The first two clinical indications for NV-387 are MPox and Ebola, diseases with outbreaks that originated in Africa have spread throughout the world. The current smallpox vaccines are used to treat MPox but lack adequate efficacy to make a meaningful difference. The worldwide manufacturing capacity is inadequate to meet existing needs, as current drugs have long manufacturing times

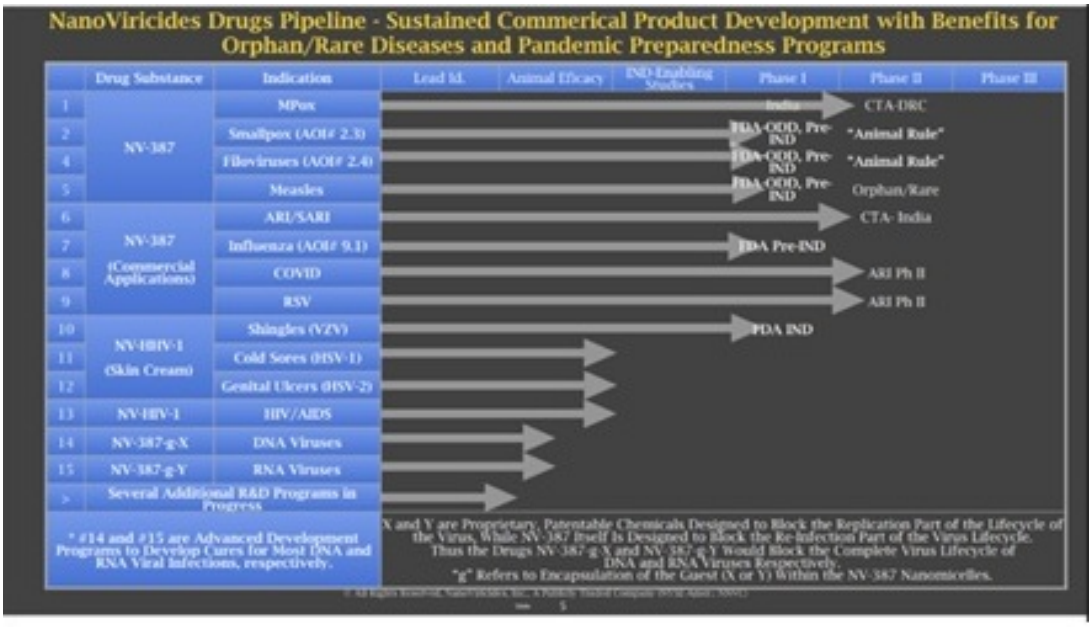
and small production runs. This creates shortages for treatment and requires stockpiling for biodefense preparedness. Their drugs' shelf lives also require continuous replacement. This allows potential for NV-387 sales to government agencies when approved.

Measles ODD provides market exclusivity. NV-387 was granted Orphan Drug Designation (ODD) for its Measles indication by the FDA in April 2026. ODD allows for increased communication with the FDA for regulatory and clinical guidance, as well as financial incentives to encourage development. Upon approval, the product has 7 years of market exclusivity.

Measles Is Eligible For The PRV Program. In addition to ODD, NV-387 was granted a Rare Pediatric Disease Drug Designation (RPDD) for its Measles indication by the FDA in June 2026. This designation means NanoViricides would be eligible to receive a Priority Review Voucher (PRV) upon FDA approval. The PRV allows a company to shorten the FDA review of an application to 6 months from the standard 10 months, and it can be sold to other companies. In June 2026, a PRV was sold for $195 million.

Conclusion. We expect NanoViricides to be driven by clinical progress of NN-387 in the MPox and Ebola trials, followed by the start of the Measles clinical program. Our valuation is based on successful trials in the MPox and Ebola indications, with approvals in 2027 and first sales revenues in 2028. We believe our timing and revenues are conservative, allowing time for international governments and health agencies to approve and acquire the drug. We value NNVC based on FY2029 EPS of $0.95, discounted at 30% with a multiple of 15X. Our price target is $6 per share.

Exhibit 1. Product Pipeline Includes Multiple Indications For Each Product. The nanoviricide technology has been used to develop therapeutics and prophylactics against viruses that cause acute infection (non-latent viruses). Since this initial attachment mechanism is highly conserved across unrelated viral families, a single nanoviricide drug designed to mimic these receptors can theoretically neutralize multiple virus types. These confer broad spectrums of activity, allowing products to be effective in several indications.



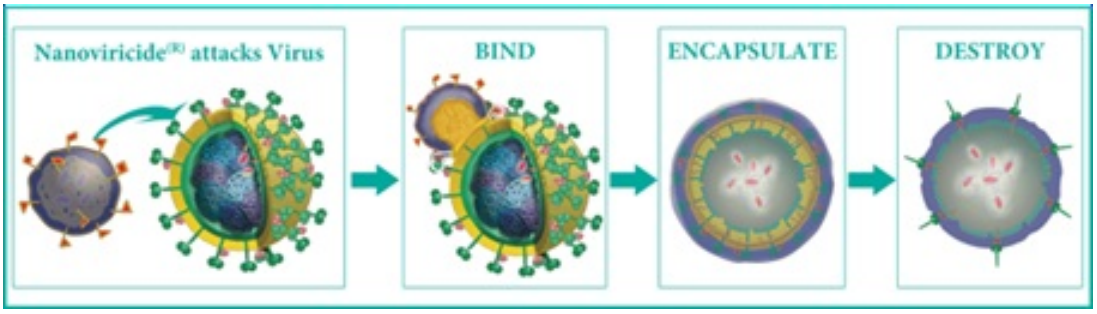
Source: NanoViricides, Inc.

Company History

NanoViricides, Inc. is developing a novel class of broad-spectrum antiviral therapies. Its technology platform is based on discoveries by the Founder and Executive Chairman, Anil R. Diwan, Ph.D. The drugs are a novel class of antivirals with broad-based action that does not require an immune response from the host. The Company has its headquarters in Shelton, Connecticut, where it maintains research and manufacturing facilities.

Nanoviricides Act As Decoys To Trap and Destroy Viruses. A nanoviricide is composed of a polymer designed to carry a mimic of a sulfated proteoglycan, a type of glycoprotein that viruses use to attach to a host cell. The nanoviricide mimics the sulfated proteoglycan that the virus would normally bind to initiate infection. Once the virus is bound, the flexible polymer surrounds the virus, disrupts its outer coating, and neutralizes its ability to infect cells.

Exhibit 2. Nanoviricides Mechanism of Action. The nanoviricides bind to the target virus, encapsulate it, and destroy its ability to infect cells.



Source: NanoViricides, Inc.

Development Strategy

Orphan Drug Strategy. The lead indications in development are for conditions that are eligible for Orphan Drug Designation (ODD). The ODD allows for increased communication with the FDA for guidance on clinical and regulatory issues during development. Approval for Orphan drugs requires smaller, shorter clinical trials that are consistent with the smaller population and the lack of therapies.

Upon approval, the ODD allows for 7 years of market exclusivity. During development, the Company receives financial incentives to encourage research. The Measles indication was granted Orphan Drug Designation in April 2026. The Company has also applied for ODD for NV-387 as a treatment for Mpox, and NV-387 as a treatment for smallpox. Additional orphan indications for NV-387 could be filoviruses (Ebola, Marburg), and certain other priority pathogens such as Hendra, Nipah viruses, and Hantaviruses. The Company will be able to apply for such ODD's if NV-387 demonstrates effectiveness in relevant in vitro and/or in vivo models.

Other indications for large populations and large markets, such as NV-387 for Influenza, RSV, and coronaviruses, as well as the specialized drugs for HSV-1, HSV-2, Shingles, and HIV, are expected to follow the standard clinical development pathway.

The PRV Program Incentivizes Drug Development. Like the Orphan Drug Designation, the Priority Review Voucher (PRV) program was designed to provide financial incentives to encourage companies to develop drugs for indications that would not be commercially attractive. A PRV is awarded to a company upon approval of a drug that meets priorities set by the FDA, including rare pediatric diseases. PRVs have been available for drugs that are designated for:

(1) certain Tropical Diseases drugs (TDD), at the FDA Commissioner's discretion,

(2) Rare Pediatric Disease drugs (RPDD), and

(3) Material Threat Medical Countermeasures (MTMCD).

PRV programs are legislated by Congress and have expiration dates (sunset clauses). At the current time, the PRV for the RPDD program was reinstated in February 2026, and the TDD does not have a sunset provision. The MTCMCD program expired in October 2023 and has not been reinstated. These PRVs are tradeable, while a separate FDA-created PRV, the Commissioner's PRV, is not tradeable.

The NV-387 measles indication was granted Orphan Drug Designation in April 2026 and a Rare Pediatric Disease Drug (RPDD) designation in June 2026. NanoViricides would be eligible to receive a Priority Review Voucher (PRV) upon FDA approval of NV-387 for measles. NV-387 could also be eligible for a PRV for Mpox as a Tropical Disease. Although each drug can get PRV only once, having two indications in development increases the chances that it will receive a PRV for one of them.

The PRV allows a drug application to receive a 6-month Priority Review rather than the 10-month review under standard FDA regulations. A company that receives a PRV can sell it to another company to accelerate FDA review for their product. Shortened review time can accelerate product launch, improving a drug's competitive position in the market, revenues, and its long-term sales potential.

The shortened review time from a PRV is highly valuable to companies planning to file applications for new drugs. Sales of PRVs during 1H26 2025 have ranged from $180 million to $205 million. In June 2026, Denali Therapeutics (DNLI, Not Rated) sold its PRV for $195 million in addition to commercial sales of their drug. These factors make PRV eligibility highly valuable to the Company.

Products In Development

Pipeline Summary. The NanoViricide technology has been used to develop a drug pipeline for many viral diseases. The technology enables changes to the carrier of the binding peptide, resulting in distinct binding and pharmacokinetic characteristics. The drugs can be customized to achieve stronger binding or higher concentrations in tissues harboring viruses, thereby providing greater specificity for viruses.

The lead drug, NV-387, has been formulated to mimic the sulfated proteoglycan attachment receptors that viruses use to bind to host cells. Preclinical testing across multiple viral diseases demonstrated broad-spectrum antiviral activity. NV-387 is currently in development as a treatment for MPox, Smallpox, Measles, and Ebola/Marburg (Filoviruses). NV0387 has also been formulated for multiple routes of administration, including oral solids and liquid (gummies and syrup), intravenous (IV), and inhalation. These formulations provide flexibility for drug delivery and supply chains across different clinical settings.

The Company is also planning clinical development for NV-387 for large commercial opportunities such as RSV, Influenza, and Coronaviruses (the viral family that includes SARS-CoV-2 causing COVID) after these initial regulatory projects.

Additional products include NV-HHV-1 for the treatment of shingles and chickenpox caused by Varicella-Zoster Virus (VZV), oral and genital herpes, viral diseases of the eye including EKC and herpes keratitis caused by Herpes Simplex Viruses (HSV-1 and HSV-2), NV-HIV-1 for HIV, drugs for Hepatitis B Virus (HBV), Hepatitis C Virus (HCV), Rabies, Dengue viruses, Japanese Encephalitis virus, West Nile Virus, and others.

MPox and Ebola Programs Are The Lead Indications. The Company is focusing its resources on the MPox and Ebola Phase 2a trials in regions of the Democratic Republic of the Congo where disease outbreaks have occurred. These disease outbreaks have received the attention of the World Health Organization and other public health authorities. The threat of further outbreaks and worldwide spread may lead to faster approval, enabling NanoViricides to generate revenue sooner than for other infectious diseases.

The trial is being conducted by a CRO in India, Om Sai Clinical Research Pvt. Ltd., and its associates in DRC. The Company has also worked with the local regulatory agency, ACOREP (*Autorité Congolaise de Réglementation Pharmaceutique*), which has already approved the trial for MPox. Approval for the Ebola trial is expected after review.

The start of the MPox trial was delayed by an Ebola outbreak in May 2026. The World Health Organization (WHO) responded by declaring a Public Health Emergency of International Concern (PHEIC) for Ebola, the highest level of global health alert it can issue. A PHEIC is reserved for extraordinary events that pose a serious public health risk to other countries. Its declaration mobilizes a coordinated international response, including funding and international resources.

While the PHEIC highlighted the unmet need for new drugs to treat MPox and Ebola outbreaks, it necessitated a change of the clinical site in the DRC from Kinshasa to a new, remote area hospital site. The new site required preparation, substantially increasing the start-up time.

The Phase 2a trial for MPox is expected to begin in mid-2026. The Company has completed the shipment of NV-387 clinical supplies. Planned enrollment is about 80 patients receiving NV-387 plus the standard of care, compared with the standard of care alone, for up to 12 days depending upon recovery. Endpoints in the trial are efficacy, safety, tolerability, virological recovery, and clinical recovery. Once patient treatment begins in the MPox trial, a separate Phase 2 trial testing NV-387 in Ebola is expected to start shortly afterward.

Background on MPox. MPox, previously known as monkeypox, is a viral illness caused by the monkeypox virus (MPXV), a species of the genus *Orthopoxvirus* that includes the smallpox virus. Transmission comes from skin contact or through bodily fluids, including sexual contact. Symptoms include a rash that forms blisters and then crusts over, as well as fever and swollen lymph nodes.

There are two distinct clades of the virus: clade I (with subclades Ia and Ib) and clade II (with subclades IIa and IIb). The more severe form, MPox Clade I, is endemic in certain African regions, affecting the entire population. The less severe form, MPox Clade II, was the cause of a global outbreak in the Western World, where it is primarily transmitted by sexual contact. The WHO declared a Public Health Emergency of International Concern (PHEIC) in August 2024 until September 2025.

The outbreak continues in Africa, where the Africa CDC declared a Public Health Emergency of Continental Security (PHECS) in August 2024 until January 2026, but the "standing recommendations for MPox" were continued by the Africa CDC until August 2026, which allows continuation of MPox-related countermeasures.

Vaccine Supplies For MPox and Smallpox Are Limited. While there are approved vaccines for therapy and prevention of MPox/smallpox, they have significant drawbacks. At the current time, there are only three companies that produce the worldwide supply of MPox/smallpox vaccines, with sales estimated at around $700 million per year. These vaccines require a long, labor-intensive process that limits annual production and necessitates stockpiling supplies in advance.

The current outbreak of MPox in Africa is caused by a more contagious, more deadly strain than the original. World manufacturing capacity is estimated at 2 million to 5 million doses, while 10 million doses are needed just for MPox in Africa alone. At full capacity, the current manufacturers are unable to meet the needs of Africa, the US, and the EU.

Current MPox/smallpox Vaccines. Although smallpox was considered eradicated in 1980, it has been identified as a bioterrorism threat. Smallpox vaccine supplies are part of the US government's Strategic National Stockpile for emergencies ranging from natural disasters to bioterrorism.

These vaccines have limited shelf-lives, and a portion of the inventory must be replaced each year. The manufacturer of the current smallpox vaccine has a $2 billion supply contract with replenishment options over 9 years. This smallpox vaccine (Jynneos, from Bavarian Nordic) is based on vaccinia (modified vaccinia Ankara, or MVA), a virus related to smallpox that is similar enough to protect against infection. Its drawbacks include safety and tolerability concerns, including pain, swelling, and severe allergic reactions.

The drugs and vaccines for Smallpox or MPox that have been purchased and stockpiled in the US Strategic National Stockpile for Smallpox preparedness include:

- ACAM2000 (from Emergent BioSolutions) is a live attenuated vaccinia virus vaccine to protect against smallpox and MPox, but requires weeks to develop immunity, limiting its utility during an acute outbreak response. In July 2026, Emergent BioSolutions was awarded a supply contract modification valued at $52.7 million from the Administration for Strategic Preparedness and Response (ASPR) at the United States Department of Health and Human Services.
- Tembexa (brincidofovir, from Emergent BioSolutions). Tembexa was approved for smallpox. The product label has a black-box warning for severe liver and gastrointestinal toxicity, requiring intensive clinical monitoring. Tembexa requires physician care during treatment, making it unsuitable as an anti-bioterrorism agent. This makes it impractical and/or contraindicated for pandemic response.
- Jynneos (from Bavarian Nordic). Jynneos is FDA-approved for smallpox and MPox. It requires two-dose vaccinations at least 28 days apart to be protective. Jynneos is considered to have a better safety profile than ACAM2000. Vaccine deployment logistics and costs are a major problem for countries such as the DRC. Vaccine effectiveness against the more severe Clade I is uncertain.
- TPOXX (tecovirimat, from SIGA Technologies). An NIH-sponsored trial in August 2024 (PALM007) failed to demonstrate effectiveness against a placebo. Despite the lack of clinically effective data, TPOXX remains in the US Strategic National Stockpile. The virus can readily escape TPOXX by a single point mutation. TPOXX failed in clinical trials against Mpox, despite strong preclinical efficacy in the Mpox/Monkey model in registrational studies, making it uncertain that it will work against smallpox in actual clinical applications.

There are no approved treatments specifically developed for Mpox, which could allow NV-387 to become the first approved treatment with clinical data on its product label showing efficacy, safety, and FDA approval for human Mpox infection.

Approval Based On The "Animal Rule". In May 2002, the FDA announced the "Animal Rule" to provide a regulatory approval pathway for drugs when human efficacy studies cannot be conducted. The Animal Rule applies to drugs or medical countermeasures (MCM) to protect healthy people from bioterrorist agents or other threats. In these situations, it is unethical or unfeasible to administer a viral challenge to healthy people to determine if the protection is effective.

The FDA has approved drugs based on the Animal Rule when studies demonstrate protection in animals that is assumed to be reasonably likely to translate into clinical benefit for humans. Studies using verified animal models must demonstrate effectiveness and be reasonably expected to produce clinical benefits in humans. Monkeypox/monkeys, Rabbitpox/rabbits, and Ectromelia (Mousepox)/mice are considered verified animal models. Only two of these are required for registrational studies, while human clinical studies are only needed to demonstrate safety.

Overlap With Smallpox. If the MPox clinical trial is successful, NanoViricides could potentially seek regulatory approval for NV-387 in both MPox and Smallpox. If approved, it could become a bioterrorism countermeasure included in the US Strategic National Stockpile. Clearly, it would not be feasible or ethical for NanoViricides to deliberately expose healthy volunteers to smallpox to test the drug's protection. Smallpox could be approved under the Animal Rule, with MPox in Humans (if successful) as a strong substitute for MPox in Monkeys, plus ectromelia in mice (in which model the Company has already found NV-387 to be highly effective), together to allow for approval.

Measles Program. Preclinical studies testing NV-387 in a humanized animal model of lethal measles virus infection showed it to be highly effective. Phase 2 trial testing NV-387 is planned for the treatment and prophylaxis of Measles. The Company is seeking grants and non-dilutive funding before moving forward with development.

NanoViricides was granted Orphan Drug Designation for NV-387 for Measles prevention and treatment in April 2026, followed by Rare Pediatric Disease Drug (RPDD) designation in June 2026. This means NanoViricides is eligible to receive a Priority Review Voucher (PRV) upon FDA approval.

Respiratory Virus Program. Respiratory viral infections collectively represent one of the largest global healthcare burdens. This category includes influenza, RSV, and coronaviruses (including SARS-CoV-2, which causes COVID-19), as well as lesser-known human metapneumovirus (hMPV) and other viruses, and affects millions in the US and around the world. The current influenza vaccines have efficacy and compliance rates that vary each year. Hospitalizations in 2024-25 from influenza in the US are estimated at 700,000 to over 1.2 million, with an estimated 50,000 deaths in a non-pandemic year. RSV causes severe disease and deaths in infants, the elderly, and immunocompromised patients.

Current treatments for respiratory viral infections are specific for each virus. There are no broad-spectrum oral antivirals for respiratory viruses. The current influenza vaccines are formulated to target three specific strains predicted to be prevalent in the coming flu season, while Tamiflu and Xofluza are antivirals that target viral surface markers. Several approved RSV vaccines target RSV. Since NV-387 acts through a receptor mechanism shared by all respiratory viruses, it could potentially work in Influenza, RSV, and coronaviruses. This gives NV-387 the potential to become a first-line therapy when the pathogen is unknown.

NanoViricides has designed an adaptive "basket-type" Phase 2 trial targeting Viral ARI/SARI to generate data against Influenza, RSV, and Coronaviruses simultaneously. It is also expected to yield indicative data on hMPV, rhinoviruses, adenoviruses, and echoviruses (common cold viruses). The trial is planned to take place in India over the winter 2026 respiratory season. An IND filing for trials in the US is planned for 2027. This could potentially address a market of about $2.6B in RSV and over $4.6B in influenza.

Preclinical Stage Products. Nanoviricides have been created that could possibly bind to 90-95% of known viruses. The Company has given priority to several current disease outbreaks where public health concerns could allow accelerated approvals of NV-387. This may be the quickest path to market, with additional indications to follow. NanoViricides has prioritized its resources behind these programs.

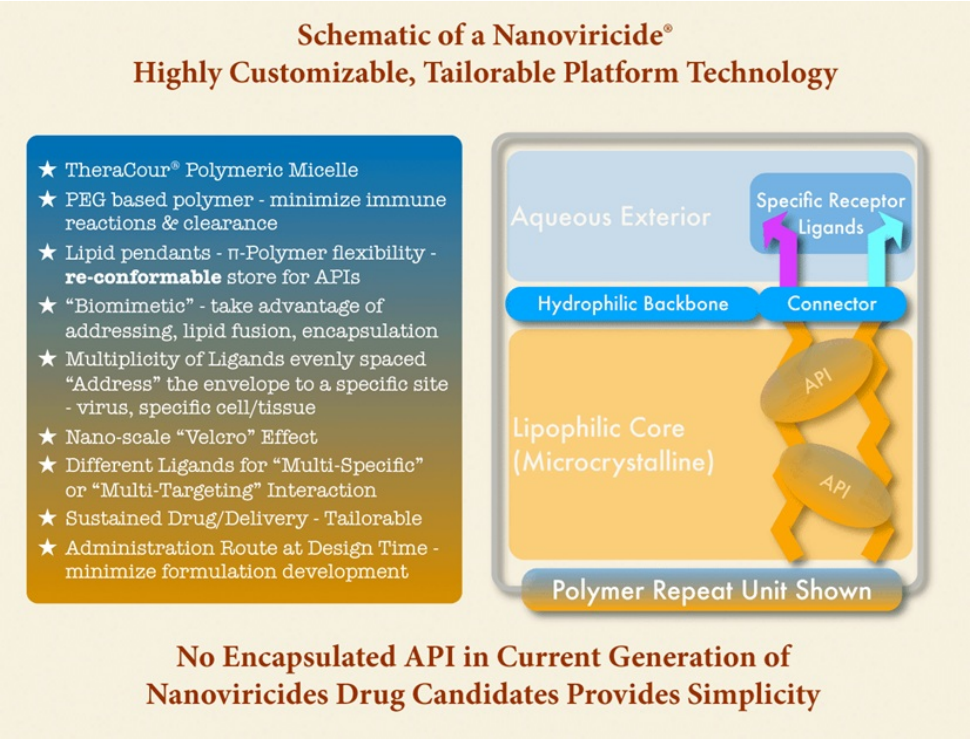
NV-HHV-1 is a nanoviricide skin cream to treat shingles. Preclinical studies showed it to be well-tolerated in safety and toxicology studies. Preclinical development continues toward an IND. It is active against HSV-1 and HSV-2 in preclinical studies and is also being developed for HSV infections, including viral diseases of the eye, namely EKC and herpes keratitis. The preclinical pipeline includes other viral diseases with data to indicate product development could be shortened, such as HIV, Hepatitis C, Rabies, and Dengue fever.

Technology Background

What are Nanoviricides? Nanoviricides are small-molecule drugs composed of polymers that carry proteins designed to mimic the receptors that viruses use to bind healthy cells and start infections. The polymers have both water-soluble and water-insoluble portions. In aqueous solution, this solubility difference causes them to assemble into globules known as micelles, with a water-soluble surface surrounded by a water-insoluble core. Micelles can also invert in lipidic environments such as the lipid envelope surface of a virus particle.

Micelles are normally found as biological carriers that envelop and transport substances in the body. One common example is the micelles that transport dietary fats and fat-soluble vitamins through non-fat-soluble substances.

Exhibit 3. Schematic Diagram Of A Nanoviricide.



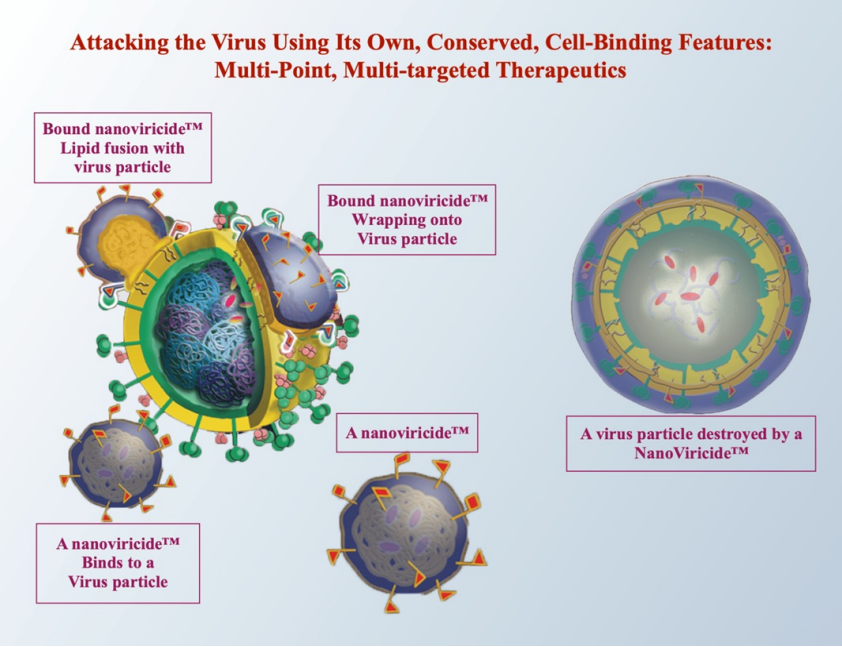
Source: NanoViricides, Inc.

When a virus encounters a nanoviricide, it mistakes the receptor-mimic portion as the actual binding site on a human cell. The nanoviricide micelle is similar in size to a virus and has a flexible, fluid structure that can surround the virus. Once bound to the virus, nanoviricides engulf and disrupt the conformational structure of the proteins on the viral outer surface that are needed to bind and gain entry to a cell. This neutralizes and effectively destroys the virus. Importantly, this does not require the involvement of the immune system.

Nanoviricides can be designed with different nanomicelle polymers (backbones) or binding peptides. Varying the polymers and virus-binding portions has allowed the Company to develop drug candidates with activity against many viruses and viral families. Nanoviricides specific to a single virus have been developed against important pathogens such as HIV, influenza, and bird flu by using highly virus-specific ligands.

The Company can also formulate drugs using multiple routes of distribution within the body and distinct pharmacokinetics. Several routes of administration have been tested for the lead product, including chewable solids (gummies), syrup, intravenous injectables, and inhalation products.

Exhibit 4. Nanoviricide Mechanism Of Action. A single nanoviricide works by engulfing a Virus Particle. The micelles that assemble from multiple chains form the nanoviricide.



Source: Nanoviricides, Inc.

Conjugated and Encapsulated Drugs Can Also Be Made. The core technology enables the incorporation of additional antiviral APIs (active pharmaceutical agents) into the nanomicelle core. Drugs can also be covalently conjugated to the nanoviricide polymer. These technologies allow the nanoviricide to target viral replication, providing two mechanisms of action in a single drug.

Nanoviricides Avoid Loss Of Efficacy Due To Mutation. Most viral mutations occur in the viral surface markers recognized by standard antiviral drugs, antibodies, and vaccines, allowing new viral mutants to evade them. The glycoreceptor decoy targets carried by the nanoviricides are from a highly conserved region of the viral genome and rarely mutate. If this region of the virus were to mutate enough to evade the nanoviricide, it would also be unable to bind to a host cell to cause infection.

The highly conserved nature of the glycoreceptors across viral families allows a single nanoviricide to be used against a broad range of viruses. Over 90% of the viruses use the attachment receptors carried by NV-387. This gives NV-387 an "escape-resistant" feature that prevents loss of efficacy over time. Traditional small-molecule antivirals such as oseltamivir (Tamiflu), baloxavir (Xofluza), and remdesivir target specific intracellular viral enzymes. This makes them highly specific for the virus, but vulnerable to resistance mutations.

Contrast With Vaccines. The nanoviricide mechanism of action differs from that of traditional antivirals such as vaccines and antibodies, which require an immune response to the virus, or small chemicals that target mRNA, or target steps in intracellular viral replication. Since nanoviricides do not require a response from the immune system, they also have the potential to protect and help recovery for immunocompromised patients who cannot mount an effective immune response to vaccination.

Side Effect Profile. The action of the nanoviricides occurs in the bloodstream or body fluids before viruses infect cells. Since they remain in the extracellular space without entering a cell, their action may avoid interference with normal cellular functions and side effects on host cells. This would improve safety and side effect profiles over current antiviral agents that act inside cells. A Phase 1 safety and tolerability human clinical trial of NV-387 demonstrated excellent safety with no reportable adverse events.

Patents and Intellectual Property. The NanoViricides technology platform is based on discoveries of the Company Founder and President, Dr. Anil Diwan. The products are based on an original intellectual property estate with over 60 patents from three fundamental patent families covering composition of matter, manufacturing methods, and methods of use, filed since 2006 and expiring in 2026-2027. Another PCT application was filed in 2022. Resulting patents will run through 2042. Additional patent applications, both new and continuation patents, are planned as the pipeline matures further.

Nanoviricides holds worldwide, broad, perpetual, exclusive, sub-licensable, field licenses to the technology from TheraCour Pharma, Inc, a company owned by Dr. Diwan, including patented technologies as well as proprietary technologies and know-how. This technology is licensed for specific applications rather than specific single drugs. Our financial models and earnings estimates include a royalty payable to TheraCour.

Manufacturing Capabilities. Nanoviricides owns a pilot GMP manufacturing facility in Shelton, Connecticut, that produces both its active pharmaceutical ingredient (API) and the final drug product. The plant can make all of the products needed to supply drug products for the clinical programs. This allows the Company to produce its supplies when needed (timely) and control costs without reliance on third-party manufacturers. This is fully owned by the Company and valued at about $7 million post-depreciation on its balance sheet. The replacement cost for this facility is estimated at around $20 million.

Revenue Projections and Valuation

Recent Financial Results. NanoViricides operates on a fiscal year ending on June 30. For 3Q26, ended March 31, 2026, the Company reported a loss of $1.99 million, or $(0.09) per share. The loss was comprised of Research and Development expenses of $1.29 million and General and Administrative expenses of $0.74 million, for an Operating Loss of $2.0 million. Net Interest Income of $40.1 million brought the Net Loss to $1.99 million.

Cash and Cash Equivalents on March 31, 2026, were $3.2 million. In June 2026, the Company completed a registered direct offering that raised about $3.0 million in gross proceeds. The offering consisted of 1,3333,334 million common shares at plus warrants to purchase 1 share for $1.50 per unit to an institutional investor. The warrants have an exercise price of $1.75 per share, exercisable six months after issuance, and will expire 3 years after issuance.

The Company has an At-The-Market common stock facility under a shelf registration. Exercise of the Series A warrants from the November 2025 financing could bring in an additional $6.25 Million. The Company also has access to a line of credit of $3 million provided by our founder and President, Dr. Anil Diwan. No funds have been drawn on this facility. We believe the Company has sufficient cash to fund operations and complete the Phase 2a clinical trials in MPox and Ebola by December 2026.

Revenue Projections. We base our revenue estimates on the trials for NV-387 in Mpox, Ebola, and Measles successfully completing Phase 2 trials and moving toward product approval in 2028. Our models include periodic capital raises to fund clinical development. We have also included Selling and Marketing expenses in our annual projections to reflect the hiring of personnel for promoting and guiding purchasing contracts with world health organizations, foreign governments, and domestic sales. Although we anticipate grant and other non-dilutive funding, we have not included these funds in our estimates.

Valuation and Conclusion. Our valuation of NNVC is based on the successful completion of the Phase 2a and 2b trials for MPox and Ebola in the DRC, followed by an application for approval for emergency use. We have based our revenues on the ex-US sales at this time, as the pathway for US approval is unclear. Upon further guidance and timing of revenues, we will update our models. This is intentionally conservative, leaving upside for these indications.

Our projections are intended to allow time for gradual international approvals and purchases by non-government organizations. We have discounted our revenue projections to allow for clinical risk and competition in the MPox and Ebola indications. We discount our FY2029 EPS estimate of $0.95 at 30% per year and apply a multiple of 15X for a price target of $6 per share.

Risk Factors. Risks to our rating and price target include, but are not limited to:

Drug development risk. NanoViricides is a development-stage company conducting clinical trials for its lead product. The Company faces the risks of the drug development industry, including scientific, technical, clinical, and regulatory failures. As novel therapies, the drugs also face risks with reimbursement and product adoption.

Company risks. The Company has incurred significant losses and negative cash flow operations since inception and expects to incur losses and negative cash flows for at least the next 12 months. The Company is dependent on the success of its nanoviricide technology platform, including the lead product candidate, NV-387. The independent registered public accounting firm has stated that the ability of the Company to continue as a going concern is dependent upon controlling its overall expenses and identifying and securing additional financing.

International risks. The international nature of the Company's business exposes it to risks associated with doing business outside of the US, including regulatory , political, operational, financial, business, and economic risks . The lead clinical trials are planned at sites in the Democratic Republic of Congo (DRC), where a public health crisis has occurred that required changing the locations and delayed the start of the trials. Unfavorable global economic conditions could adversely affect the business , financial conditions, or results of operations.

Intellectual property risk. The field of patents and intellectual property involves complex scientific and legal issues that are subject to change by Congressional legislation or judicial action. Ot her companies with greater resources may challenge the Company's intellectual property estate through the legal system or through the US Patent and Trademark Office. Outcomes of such challenges are difficult to predict and subject to reversal on appeal. The Company holds its own patents and has licensed patents from other parties and depends on proprietary positions. While NanoViricides has no pending intellectual property challenges, this is a risk inherent to the industry.

Clinical Trial and Manufacturing Risk: Nanoviricides owns a pilot GMP manufacturing facility in Shelton, Connecticut, that produces both its active pharmaceutical ingredient (API) and the final drug product. The plant is expected to produce a supply of the drug for the clinical programs. The Company produces its own drug supply and costs, without reliance on third-party manufacturers. We believe it has adequate supplies of clinical-trial-grade materials. NanoViricides has contracted with a Contract Research Organization (CRO) to conduct the trials and collect the data. While we believe the risk of product manufacturing and trial management has been controlled, this is a source of risk in clinical trials.

Regulatory risk. The Company has conducted preclinical trials and received Orphan Drug Designation from the FDA. The Company has also gone through regulatory agencies in DRC and has worked with non-government organizations. Although we believe the preclinical data indicate efficacy, further testing is needed before US market approval. Each step in the clinical development process requires interaction with the FDA, which may not agree with the Company's development plans. The findings from clinical trials are submitted as part of an application for marketing approval that is reviewed and scrutinized by the FDA. Analysis by the FDA may not agree with the analysis presented by the Company. Approval of the application cannot be assumed.

Exchange and market risk. NNVC shares trade on the NYSE American exchange and have relatively small daily volume. The Company is expected to raise additional capital to fund operations before its products reach the market, which is subject to market conditions.

Legislation and policy changes. Laws for drug approval are established by Congress and administered by the FDA. Reimbursement by third - party payors often follows policies established by the Center for Medicaid/Medicare. Both agencies are divisions of the Department of Health and Human Services, run by Commissioners appointed by the President and confirmed by the Senate. Changes in policies or political agendas could have broad effects on the environment for drug development and reimbursement.

Company Profile

NanoViricides, Inc. is developing a novel class of broad-spectrum antiviral therapies. Its technology platform is based on discoveries by the Founder and Executive Chairman, Anil R. Diwan, Ph.D. The company is headquartered in Shelton, Connecticut, where it maintains research and manufacturing facilities. The lead product, NV-387, is a broad spectrum antiviral in development for MPox, Ebola, and Measles.

Fundamental Analysis

Our fundamental assessment rating, separate from our investment rating and valuation, is based on five attributes. We assign 4.0 checks out of 5.0 checks, which falls within our "Above Average" range. We give the company 4.0 checks out of 5.0, based on the proprietary nature of its technology, the unmet needs of the indications in development, and experience of its management. The indications in development could be used to treat outbreaks of infectious diseases that have no effective treatments. Several indications in development could be sold to the US and foreign governments for biodefense preparedness.

Valuation Summary

Our valuation of NNVC is based on successful completion of the Phase 2a and 2b trials for MPox and Ebola in the DRC, followed by and application for approval for emergency use. Although the pathway for US approval is unclear, we have based our revenues on the ex-US sales at this time. Our timeframes are intentionally conservative to allow for international approvals and purchases by non-government organizations. We discount our revenue projections to allow for clinical risk and competition in the MPox and Ebola indications. We discount our FY2029 EPS estimate of $0.95 at 30% per year and apply a multiple of 15X for a price target of $6 per share.

Nanoviricides, Inc: Income Statement (in thousands, except per share data)																	
Fiscal Year Ended December 31	**1Q25A**	**2Q25A**	**3Q25A**	**4Q25A**	**2025A**	**1Q26A**	**2Q26A**	**3Q26A**	**4Q26E**	**2026E**	**1Q27E**	**2Q27E**	**3Q27E**	**4Q27E**	**2027E**	**2028E**	**2029E**
Revenues																	
Product sales																	
Mpox																65,500	101,000
Ebola																11,000	32,500
Total Revenues																76,500	133,500
Expenses																	
Cost of goods sold																22,950	40,050
COGS/Revenues																*30%*	*30%*
Research and development	1,933	1,156	1,282	1,177	5,549	993	1,119	1,500	1,900	5,512	2,200	2,450	2,950	3,275	10,875	14,900	21,750
Marketing and Selling																11,475	16,876
M&S/Revenues																15%	13%
General and administrative	1,235	903	967	938	4,043	804	1,115	744	850	3,512	1,100	1,100	1,450	1,550	5,200	7,400	16,600
Total expenses	**3,168**	**2,059**	**2,249**	**2,116**	**9,592**	**1,797**	**2,233**	**2,244**	**2,750**	**9,024**	**3,300**	**3,550**	**4,400**	**4,825**	**16,075**	**56,725**	**95,276**
Operating Income (Loss)	**(3,168)**	**(2,059)**	**(2,249)**	**(2,116)**	**(9,592)**	**(1,797)**	**(2,233)**	**(2,244)**	**(2,750)**	**(9,024)**	**(3,300)**	**(3,550)**	**(4,400)**	**(4,825)**	**(16,075)**	**19,775**	**38,224**
Other income					-												
Interest income	41	32	32	16	125	12	12	41	20	85	22	17	31	39	109	159	247
Interest expense		(0)			(0)												
Total other income	**41**	**32**	**32**	**16**	**125**	**12**	**12**	**41**	**20**	**85**	**22**	**17**	**31**	**39**	**109**	**159**	**247**
Pretax Income	**(3,127)**	**(2,027)**	**(2,217)**	**(2,100)**	**(9,467)**	**(1,785)**	**(2,221)**	**(2,203)**	**(2,730)**	**(8,940)**	**(3,278)**	**(3,533)**	**(4,369)**	**(4,786)**	**(15,966)**	**19,934**	**38,471**
Net Income	**(3,127)**	**(2,027)**	**(2,217)**	**(2,100)**	**(9,467)**	**(1,785)**	**(2,221)**	**(2,203)**	**(2,730)**	**(8,940)**	**(3,278)**	**(3,533)**	**(4,369)**	**(4,786)**	**(15,966)**	**19,934**	**38,471**
GAAP EPS (basic)	**(0.23)**	**(0.14)**	**(0.14)**	**(0.13)**	**(0.63)**	**(0.10)**	**(0.11)**	**(0.10)**	**(0.11)**	**(0.43)**	**(0.10)**	**(0.11)**	**(0.12)**	**(0.13)**	**(0.46)**	**0.50**	**0.95**
GAAP EPS (diluted)	**(0.23)**	**(0.14)**	**(0.14)**	**(0.13)**	**(0.63)**	**(0.10)**	**(0.11)**	**(0.10)**	**(0.11)**	**(0.43)**	**(0.10)**	**(0.11)**	**(0.12)**	**(0.13)**	**(0.46)**	**0.50**	**0.95**
Weighted Average Shares (basic, in thou	13,716	14,572	16,026	16,152	15,117	17,082	19,850	21,609	24,298	20,710	32,322	32,354	37,387	37,424	34,872	39,770	40,682
Weighted Average Shares (diluted, in tho	13,716	14,572	16,026	16,152	15,117	17,082	19,850	21,609	24,298	20,710	32,322	32,354	37,387	37,424	34,872	39,770	40,682

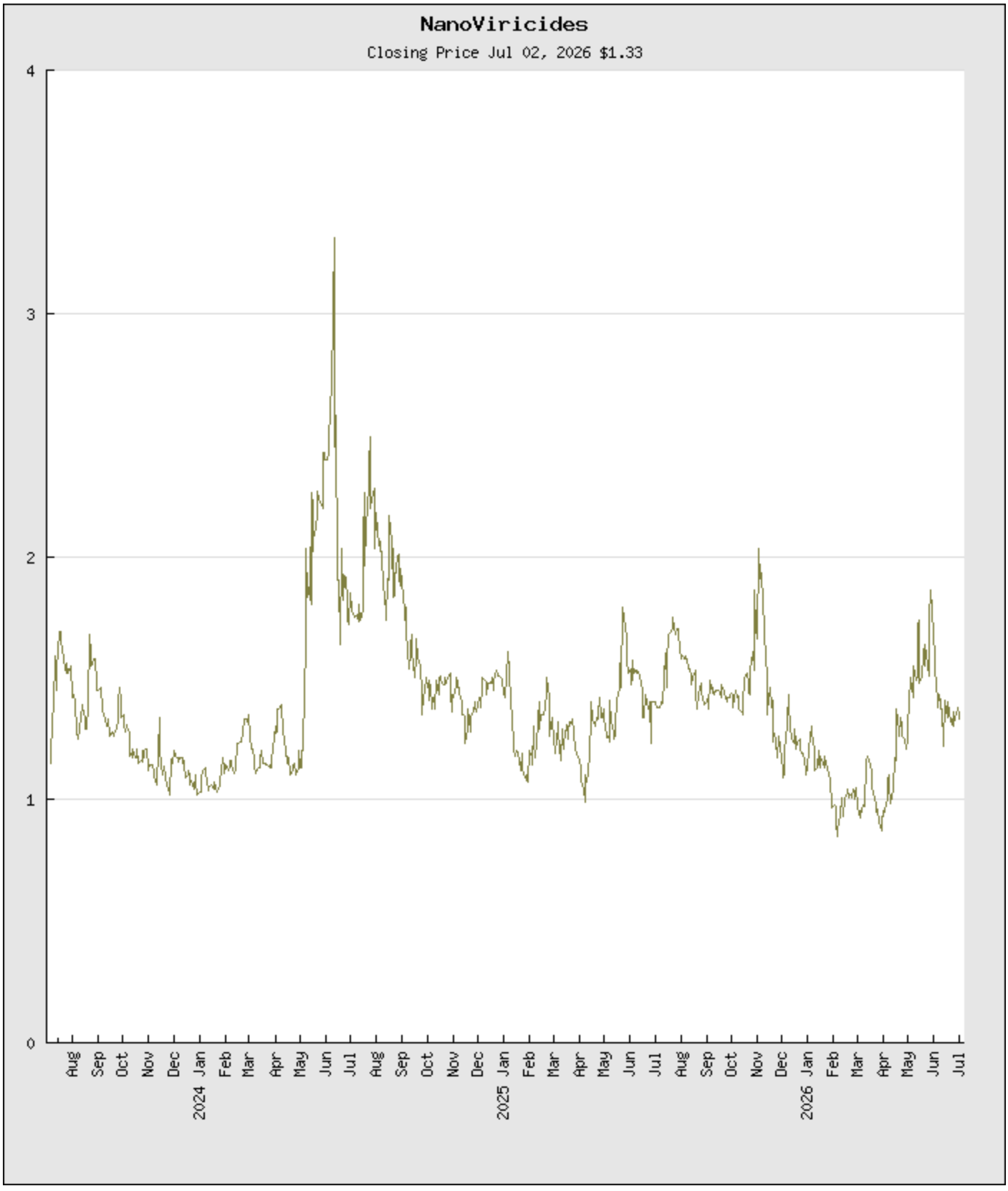
Source: Company SEC filings and Noble Capital Markets estimates

Nanoviricides, Inc: Balance Sheet (in thousands)																		
Assets	**2024A**	**1Q25A**	**2Q25A**	**3Q25A**	**4Q25A**	**2025A**	**1Q26A**	**2Q26A**	**3Q26A**	**4Q26E**	**2026E**	**1Q27E**	**2Q27E**	**3Q27E**	**4Q27E**	**2027E**	**2028E**	**2029E**
Cash and Cash Equivilents	$4,798	$3,866	$3,958	$2,543	$1,559	$1,559	$1,126	$5,151	$2,999	$2,305	$2,305	$11,916	$8,541	$11,801	$7,151	$7,151	$27,495	$66,433
Prepaid expenses and other assets	173	175	114	185	112	112	127	146	165	165	165	165	165	165	165	165	165	165
Total current assets	$4,971	$4,041	$4,072	$2,727	$1,671	$1,671	$1,253	$5,297	$3,164	$2,469	$2,469	$12,080	$8,706	$11,965	$7,315	$7,315	$27,660	$66,597
Property and equipment	7,512	7,366	7,172	6,983	6,834	6,834	6,787	6,656	6,529	6,529	6,529	6,529	6,529	6,529	6,529	6,529	6,529	6,529
Intangible assets	325	323	321	319	317	317	315	313	311	311	311	311	311	311	311	311	311	311
Service agreements	15	10	6	3	2	2	2	2	1	1	1	2	2	2	2	2	2	2
Total assets	$12,823	$11,741	$11,571	$10,032	$8,824	$8,824	$8,357	$12,268	$10,005	$9,310	$9,310	$18,922	$15,547	$18,807	$14,157	$14,157	$34,502	$73,439
Liabilities																		
Accounts payable	376	713	252	353	459	459	255	218	135	135	135	135	135	135	135	135	135	135
Accounts payable - related parties	720	637	867	813	821	821	901	929	905	905	905	905	905	905	905	905	905	905
Accrued expenses	262	283	65	33	26	26	26	48	26	26	26	26	26	26	26	26	26	26
Current Liabilities	$1,359	$1,633	$1,184	$1,199	$1,307	$1,307	$1,182	$1,196	$1,065	$1,065	$1,065	$1,065	$1,065	$1,065	$1,065	$1,065	$1,065	$1,065
Total Liabilities	$1,359	$1,633	$1,184	$1,199	$1,307	$1,307	$1,182	$1,196	$1,065	$1,065	$1,065	$1,065	$1,065	$1,065	$1,065	$1,065	$1,065	$1,065
Stockholders' equity																		
Series A convertible preferred stock	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9
Common Stock	131	140	156	160	166	166	176	216	216	216	216	216	216	216	216	216	216	216
Additional paid-in capital	150,839	152,609	154,916	155,579	156,359	156,359	157,801	163,919	163,990	166,026	166,026	178,916	179,074	186,703	186,839	186,838	187,250	187,715
Accumulated deficit	(139,375)	(142,502)	(144,529)	(146,746)	(148,842)	(148,842)	(150,627)	(152,848)	(155,051)	(157,781)	(157,781)	(161,059)	(164,592)	(168,961)	(173,747)	(173,747)	(153,813)	(115,342)
Total Equity	11,464	10,108	10,386	8,833	7,517	7,517	7,175	11,071	8,939	8,245	8,244	17,856	14,482	17,742	13,092	13,091	33,436	72,373
Total Liab & Equity	$12,823	$11,740	$11,570	$10,032	$8,824	$8,824	$8,357	$12,267	$10,005	$9,310	$9,310	$18,922	$15,547	$18,807	$14,157	$14,157	$34,502	$73,438
Shares Issued (in thousands)	11,871	13,716	14,572	16,026	16,152	15,117	17,082	19,850	21,609	24,298	20,710	32,322	32,354	37,387	37,424	34,872	39,770	40,682
Shares Outstanding (in thousands)	11,871	13,716	14,572	16,026	16,152	15,117	17,082	19,850	21,609	24,298	20,710	32,322	32,354	37,387	37,424	34,872	39,770	40,682

Source: Company reports and Noble Capital Markets estimates

Nanoviricides, inc: Cash Flow Statement (in thousands)															
Cash flows from operating activities:	**2024A**	**1Q25A**	**2Q25A**	**3Q25A**	**4Q25A**	**2025A**	**1Q26A**	**2Q26A**	**3Q26A**	**4Q26E**	**2026E**	**1Q27E**	**2Q27E**	**3Q27E**	**4Q27E**	**2027E**
Net income (loss)	(8,294)	(3,127)	(5,154)	(7,371)	(9,467)	(9,467)	(1,785)	(4,006)	(6,209)	(8,939)	(8,939)	(3,278)	(6,811)	(11,180)	(15,966)	(15,966)
Preferred share based compensation	43	14	28	47	61	61	12	23	38	12	12					
Common share based compensation and issued fo	179	46	84	124	163	163	38	223	280	325	325	50	160	240	320	320
Warrants granted to Scientific Advisory Board	1	0	0	1	1	1	0	0	0	0	0					
Depreciation	751	194	387	576	736	736	131	262	389	389	389					
Amortization	8	2	4	6	8	8	2	4	6	6	6					
Preferred shares issued pursuant to license agreement																
Changes in assets and liabilities:																
Prepaid expenses	123	(2)	58	(12)	61	61	(15)	(34)	(53)	(53)	(53)					
Other assets	(201)	4	9	12	12	12	0	1	1	1	1					
Accounts payable	219	337	(124)	(23)	83	83	(57)	(241)	(324)	(324)	(324)					
Accounts payable - related parties	487	(83)	147	93	101	101	80	108	83	83	83					
Accrued expenses	169	21	(226)	(230)	(236)	(236)	0	16	(0)	(0)	(0)					
Other non-current liability-related party																
Net Cash Used in Operating Activities	**(6,516)**	**(2,595)**	**(4,786)**	**(6,777)**	**(8,479)**	**(8,479)**	**(1,594)**	**(3,644)**	**(5,788)**	**(8,499)**	**(8,499)**	**(3,228)**	**(6,651)**	**(10,940)**	**(15,646)**	**(15,646)**
Cash flows from investing activities:																
Purchase of property and equipment	(157)	(47)	(47)	(47)	(57)	(57)	(84)	(84)	(84)	(84)	(84)					
Net cash provided by investing activities	**(157)**	**(47)**	**(47)**	**(47)**	**(57)**	**(57)**	**(84)**	**(84)**	**(84)**	**(84)**	**(84)**					
Cash flows from financing activities:																
Proceeds from the sale of common stock	3,120	1,710	3,993	4,568	5,296	5,296	1,245	1,909	1,909	3,925	3,925	12,839	12,887	20,436	20,492	20,492
Proceeds from the sale of common stock and warrants, net								5,411	5,404	5,404	5,404					
Share issuance costs																
Proceeds from exercise of warrants																
Proceeds from exercise of share based payments																
Payment of loan payable																
Net cash provided by financing activities	3,120	1,710	3,993	4,568	5,296	5,296	1,245	7,320	7,313	9,329	9,329	12,839	12,887	20,436	20,492	20,492
Effect of exchange rate on cash and cash equivalents																
Net Increase (decrease) in cash and cash equivile	(3,553)	(931)	(840)	(2,255)	(3,239)	(3,239)	(433)	3,592	1,441	746	746	9,611	6,236	9,496	4,846	4,846
Cash and equivalents, beginning of period	8,150	4,798	4,798	4,798	4,798	4,798	1,559	1,559	1,559	1,559	1,559	2,305	2,305	2,305	2,305	2,305
Cash and equivalents, end of period	4,597	3,866	3,958	2,543	1,559	1,559	1,126	5,150	2,999	2,305	2,305	11,916	8,541	11,801	7,151	7,151

Source: Company SEC filings and Noble Capital Markets estimates


NanoViricides
Closing Price Jul 02, 2026 $1.33
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Noble intends to seek compensation for investment banking services and non-investment banking services (securities and non-securities related) within the next 3 months.

Noble is not a market maker in the Company.

FUNDAMENTAL ASSESSMENT

The fundamental assessment rating system is designed to provide insights on the company's fundamentals both on a macro level, which incorporates a company's market opportunity and competitive position, and on a micro/company specific level. The micro/company specific attributes include operating & financial leverage, and corporate governance/management. The number of check marks that a company receives is designed to provide a quick reference and easy determination of the company's fundamentals based upon the following five attributes of the company (weighting reflects the importance of each attribute in the overall scoring of company's fundamental analysis):

Attribute	Weighting
Corporate Governance/Management	20%
Market Opportunity Analysis	20%
Competitive Position	20%
Operating Leverage	20%
Financial Leverage	20%

For each attribute, the analysts score the company from a low of zero to a high of ten based upon the analysis described below. The final rating and resulting check marks is a result of dividing the overall score (out of 100%) by ten.

Rating	Score	Checks
Superior	9.1 to 10	Five Checks
Superior	8.1 to 9	Four & A Half Checks
Above Average	7.1 to 8	Four Checks
Above Average	6.1 to 7	Three & A Half Checks
Average	5.1 to 6	Three Checks
Average	4 to 5	Two & A Half Checks
Below Average	3 to 3.9	Two Checks
Below Average	2 to 2.9	One & A Half Checks
Low Quality	0 to 1.9	One Check

While these are the attributes currently used for the analyst's fundamental analysis, the attributes and weighting may be reviewed, updated with additional attributes, and/or changed in the future based on discussions with the analysts and recommendations from the Director of Research.

Following is the description of each attribute in the fundamental analysis.

Corporate Governance/Management

We believe that a review of corporate governance and assessment of the senior management are important tools to determine investment merit. Good corporate governance aligns management with the interests of stakeholders. As such, analysts are to rank the company on the basis of good corporate governance principles that may include rules and procedures, board composition and staggered term limits, rights and responsibilities, corporate objectives, monitoring of actions and policies, and accountability. In addition, analysts will assess issues with controlling shareholders and whether decisions have been made in the past that were in the interests of all shareholders. In addition, management will be assessed based on industry experience, expertise, and/or track record.

High ranking example: Board and management that is aligned with the interests of shareholders with incentives based on stock price appreciation and with an experienced management team known for exceptional shareholder returns.

Low ranking example: Concentrated ownership without independent directors that do not necessarily align with all shareholders' interests.

The Market Opportunity Analysis

In this review, the analyst assesses the company's macro environment as a measure of understanding the industry. Factors considered include the size and growth potential of the industry under various economic conditions, the emerging demands in the market, technological benefits/disruptions, competition, geographical opportunities, and customer demands/needs, and an assessment of supply and distribution channels. In addition, the analyst will review legal and regulatory trends, as well as potential shifts in consumer or social behavior and natural environment changes.

High rank example: A company in an industry that is growing revenues well above GDP rates (which are on average 2% plus) and/or may have unmet or under-served needs in a rapidly growing market opportunity.

Low rank example: A mature industry that is in secular decline and likely to grow below GDP rates.

Competitive Position

The evaluation of the company's competitive position is another macro environment attribute designed to measure the relevance, market share, position and value proposition, and sustainable differentiations of the company and its products/services within its industry. Ease of entry into the industry and the ability of other well-funded players to potentially enter the market would be determined. As such, the assessment would consider the company's strengths and advantages of its products/services against weaknesses and limitations. This may include the company's current brand awareness, pricing and cost structure, current market strategies and geographic penetration that may affect demand for its products/services. In addition, the company's competitors would be evaluated.

High rank example: An analyst would consider the company's product to be superior to its competitors and that should allow the company to gain market share.

Low rank example: A company with a "me-too" product that does not have any significant technology advantages in an industry that has low barriers to entry.

Operating Leverage

Simplistically, operating leverage is determined by the operating income relative to changes in revenue. The analyst will calculate the impact on sensitivity on gross margins and variable costs to determine operating leverage. The analyst will take into account the ability of the company to cut fixed and variable costs in a challenged revenue environment and technological changes that may impact operating expenses. In addition, the analyst is to assess corporate strategies that include capital investment, which may be required for sustainable revenue growth, marketing expenses, and the company's ability to attract and retain talent and/or employees. The analyst should focus on the revenue opportunity and determine the price elasticity of demand for the company's products or services. In other words, the analyst is to rank the company based on improved operating margins going forward on an absolute and relative basis.

High rank example: A company that has improving margins for the foreseeable future, with significant price elasticity.

Low rank example: A company that is in a challenged revenue environment with a fixed cost structure and limited ability to cut costs, indicating an outlook for declining margins.

Financial Leverage

A strict definition of financial leverage is total debt divided by total shareholder's equity. Financial leverage analysis is to determine the company's ability to improve shareholder value by means of utilizing its balance sheet to grow organically or to acquire assets. Analysts may look at the company's debt to cash flow leverage ratio, interest coverage ratios, or debt to equity ratios. In addition, the interest rate environment and the outlook for interest rates are a factor in determining the company's ability to manage financial leverage. Finally, the analyst is expected to determine the ability to service the debt given the industry and/or company profile, such as cyclicality, barriers to entry, history of bankruptcy, consistency in revenue and profit growth, or predictability in sales and profits and large cash reserves. The analyst is expected to take into account capital intensity of the company and the anticipated of capital allocation decisions.

High rank example: A company with predictable and growing revenue and cash flow with modest debt levels. This may indicate that the company could improve shareholder value through growth investments, including acquisitions, using debt financing.

Low rank example: A company in a cyclical industry in a late stage economic cycle that has above average debt leverage and is in an industry that has a history of financial challenges, including bankruptcies.

ANALYST CREDENTIALS, PROFESSIONAL DESIGNATIONS, AND EXPERIENCE

Senior Equity Research Analyst focusing on the Biotechnology and Specialty Pharmaceuticals industry. 16 years of industry experience. BA in Economics from Tulane University and an MBA from Columbia Business School. FINRA licenses 7, 24, 63, 86, 87

CONTINUING COVERAGE

Unless otherwise noted through the dropping of coverage or change in analyst, the analyst who wrote this research report will provide continuing coverage on this company through the publishing of research available through Noble Capital Market's distribution lists, website, third party distribution partners, and through Noble’s affiliated website, channelchek.com.

WARNING

This report is intended to provide general securities advice, and does not purport to make any recommendation that any securities transaction is appropriate for any recipient particular investment objectives, financial situation or particular needs. Prior to making any investment decision, recipients should assess, or seek advice from their advisors, on whether any relevant part of this report is appropriate to their individual circumstances. If a recipient was referred to by an investment advisor, that advisor may receive a benefit in respect of transactions effected on the recipients behalf, details of which will be available on request in regard to a transaction that involves a personalized securities recommendation. Additional risks associated with the security mentioned in this report that might impede achievement of the target can be found in its initial report issued by . This report may not be reproduced, distributed or published for any purpose unless authorized by .

RESEARCH ANALYST CERTIFICATION

Independence Of View

All views expressed in this report accurately reflect my personal views about the subject securities or issuers.

Receipt of Compensation

No part of my compensation was, is, or will be directly or indirectly related to any specific recommendations or views expressed in the public appearance and/or research report.

Ownership and Material Conflicts of Interest

Neither I nor anybody in my household has a financial interest in the securities of the subject company or any other company mentioned in this report.

NOBLE RATINGS DEFINITIONS	% OF SECURITIES COVERED	% IB CLIENTS
Outperform: potential return is >15% above the current price	91%	16%
Market Perform: potential return is -15% to 15% of the current price	9%	1%
Underperform: potential return is >15% below the current price	0%	0%

NOTE: On August 20, 2018, Noble Capital Markets, Inc. changed the terminology of its ratings (as shown above) from "Buy" to "Outperform", from "Hold" to "Market Perform" and from "Sell" to "Underperform." The percentage relationships, as compared to current price (definitions), have remained the same.

Additional information is available upon request. The recipient of this report who wishes further information regarding the subject company or the disclosure information mentioned herein, should contact by mail or phone.

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