



August 14, 2023

Key Metrics

SBFM - NASDAQ	\$0.52
Pricing Date	August 11 2023
Price Target	\$3.00
52-Week Range	\$1.47 - \$0.45
Shares Outstanding (mm)	25.4
Market Capitalization (mm)	\$13.2
3-Mo Average Daily Volume	1,413,000
Book Value/Share	NM

EPSFY: December

	2022A	Prior 2023	Curr. 2023E	Prior 2024E	Curr. 2024E
1Q-mar	(0.23)	--	(0.08)A	--	(0.08)E
2Q-jun	(0.03)	(0.08)E	(0.02)A	--	(0.02)E
3Q-sep	(0.08)	(0.07)E	(0.06)E	--	0.01E
4Q-dec	(1.11)	--	(0.06)E	--	0.05E
FY	(1.76)	(0.28)E	(0.22)E	--	(0.01)E
P/E					

Revenue (M)

	2022A	Prior 2023	Curr. 2023E	Prior 2024E	Curr. 2024E
1Q-mar	0.1	--	4.9A	--	7.5E
2Q-jun	0.2	5.0E	5.6A	--	10.0E
3Q-sep	0.1	5.4E	6.0E	--	12.6E
4Q-dec	3.9	--	6.7E	--	15.8E
FY	4.3	--	22.0E	--	45.9E

Company Description:

Sunshine Biopharma, Inc. is a pharmaceutical company offering and researching life-saving medicines in a wide variety of therapeutic areas, including oncology and antivirals. Located in Montreal, Canada, the company began trading on the Nasdaq on February 15, 2022.

Aegis Capital has provided investment banking services for Sunshine Biopharma multiple times over the past two years, most recently in May 2023.

Sunshine Biopharma Inc.**Rating: Buy****Sunshine Biopharma Beats Our Revenue****Expectations - Raising Our Target Price to \$3.****Investment Highlights:**

Sunshine Biopharma reported its financial results for the second quarter of 2023 ending June 30. The growth in revenues and decreased Net Loss were better than we expected.

Cash: The company ended Q2 with \$19.7 million in cash, \$400,000 MORE than the ending cash balance for Q1. Sunshine reported having 25,746,302 shares outstanding as of August 10.

On May 16, the company did a private placement of about 6 million shares plus warrants for gross proceeds of \$5 million, net proceeds of \$4.1 million, with Aegis Capital as sole agent.

Sales revenues: Revenues for 2Q were \$5.6 million, about 11% higher than our estimate of \$5 million. Gross margins were a bit lower than our estimate at 35.1% but Gross Profit was just shy of \$2 million, compared to our expectation of \$1.9 million. Total Comprehensive Income for Q2 was a loss of only \$410 thousand, much better than the Q1 loss of \$1.7 million.

Summary: The steady increase in revenues over the first six months of this year gives us greater confidence that Sunshine Biopharma could meet or beat our estimates for growth in sales of its generics business. Coupled with our belief that margins could also improve, we now have better data supporting our conviction that Sunshine could reach our goals of profitability by the end of 2024 and \$100 million in annual sales for 2025. Therefore, we are raising our Target Price to \$3 and affirming our Buy recommendation.

Sunshine Biopharma Quarterly and Annual Balance Sheets (USD)

Quarter Date	FY2021 Dec. 31, 2021	1Q22 Mar. 31, 2022	2Q22 Jun. 30, 2022	3Q22 Sep. 30, 2022	FY2022 Dec. 31, 2022	1Q23 Mar. 31, 2023	2Q23 Jun. 30, 2023
Cash & equivalents	\$21,826,437	\$13,177,625	\$41,727,775	\$40,555,931	\$21,826,437	\$19,294,218	\$19,729,491
Accounts receivable	\$1,912,153	\$24	\$24	\$22	\$1,912,153	\$1,790,480	\$2,011,308
Inventory	\$3,289,945	\$181,496	\$205,371	\$269,641	\$3,289,945	\$3,709,987	\$4,250,887
Prepaid expenses	\$283,799	\$38,632	\$48,562	\$27,390	\$283,799	\$152,262	\$107,023
Deposits		\$7,590	\$7,590	\$7,590			
Total Current Assets	\$27,312,334	\$13,405,367	\$41,989,322	\$40,860,574	\$27,312,334	\$24,946,947	\$26,098,709
Property, plant & equipment	\$394,249	\$3,975	\$1,642	\$3,770	\$394,249	\$368,032	\$366,684
Intangible assets	\$776,856	\$0	\$0	\$0	\$776,856	\$948,240	\$1,233,570
Right-of-use asset	\$760,409	\$0	\$0	\$0	\$760,409	\$728,129	\$711,059
Total assets	\$29,243,848	\$13,409,342	\$41,990,964	\$40,864,344	\$29,243,848	\$26,991,348	\$28,410,022
Accounts payable & accrued expenses	\$2,802,797	\$95,234	\$104,684	\$480,209	\$2,802,796	\$2,736,154	\$1,759,789
Earnout payable	\$3,632,000	\$0	\$0	\$0	\$3,632,000	\$3,632,000	\$2,547,831
Income tax payable	\$373,191	\$0	\$0	\$0	\$373,191	\$416,245	\$230,581
Right-of-use liability	\$123,026	\$0	\$0	\$0	\$123,026	\$121,303	\$122,146
Total Current Liabilities	\$6,931,014	\$95,234	\$104,684	\$480,209	\$6,931,014	\$6,905,702	\$4,660,347
Deferred Tax liability	\$43,032	\$0	\$0	\$0	\$43,032	\$43,032	\$43,032
Right-of-use liability	\$642,232	\$0	\$0	\$0	\$642,232	\$613,136	\$596,850
Total Liabilities	\$7,616,278	\$95,234	\$104,684	\$480,209	\$7,616,278	\$7,561,870	\$5,300,229
Preferred stock, Series B	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Common stock	\$22,585	\$7,150	\$18,886	\$18,886	\$22,585	\$22,139	\$25,746
Capital paid in excess of par	\$80,841,752	\$47,219,498	\$76,331,451	\$76,331,451	\$80,841,752	\$80,335,376	\$84,422,143
Accumulated comprehensive income	161,847	(22,132)	(34,777)	(79,903)	161,847	\$173,007	\$665,056
Accumulated deficit	(59,399,614)	(33,891,408)	(34,430,280)	(35,887,299)	(59,399,614)	(\$61,102,044)	(\$62,004,152)
Total Stockholders Equity	\$21,627,570	\$13,314,108	\$41,886,280	\$40,384,135	\$21,627,570	\$19,429,478	\$23,109,793
Total Equity & Liabilities	\$29,243,848	\$13,409,342	\$41,990,964	\$40,864,344	\$29,243,848	\$26,991,348	\$28,410,022

Change in cash and securities: (8,648,812) \$28,550,150 (\$1,171,844) (\$18,729,494) (\$2,532,219) \$435,273

Source: Company filings and Aegis Capital estimates

Sunshine Biopharma Quarterly and Annual Income Statements and Estimates (USD)

Quarter Date	FY 2021 Dec. 31, 2021	1Q22 Mar. 31, 2022	2Q22 Jun. 30, 2022	3Q22 Sep. 30, 2022	4Q22 Dec. 31, 2022	FY 2022 Dec. 31, 2022	1Q23 Mar. 31, 2023	2Q23 Jun. 30, 2023	3Q23 Est. Sep. 30, 2023	4Q23 Est. Dec. 31, 2023	FY 2023 Est. Dec. 31, 2023	1Q24 Est. Mar. 31, 2024	2Q24 Est. Jun. 30, 2024	3Q24 Est. Sep. 30, 2024	4Q24 Est. Dec. 31, 2024	FY 2024 Est. Dec. 31, 2024	FY 2025 Est. Dec. 31, 2025
Sales	\$228,426	\$122,645	\$150,307	\$132,808	\$3,939,843	\$4,345,603	\$4,894,053	\$5,560,865	\$6,000,000	\$6,700,000	\$23,154,918	\$7,500,000	\$10,000,000	\$12,600,000	\$15,800,000	\$45,900,000	\$100,000,000
Cost of sales	\$117,830	\$59,845	\$74,683	\$65,783	\$2,448,717	\$2,649,028	\$3,065,931	\$3,608,118	\$3,780,000	\$4,154,000	\$14,608,049	\$4,650,000	\$6,200,000	\$7,812,000	\$9,796,000	\$28,458,000	\$62,000,000
Gross Profit	\$110,596	\$62,800	\$75,624	\$67,025	\$1,491,126	\$1,696,575	\$1,828,122	\$1,952,747	\$2,220,000	\$2,546,000	\$8,546,869	\$2,850,000	\$3,800,000	\$4,788,000	\$6,004,000	\$17,442,000	\$38,000,000
Accounting expenses	\$118,423	\$73,800	\$41,060	\$122,913	\$103,366	\$341,139	\$169,750	\$75,281	\$150,000	\$150,000	\$545,031	\$150,000	\$150,000	\$150,000	\$150,000	\$600,000	\$750,000
Consulting expenses	\$50,873	\$5,498	\$101,683	\$162,852	\$572,861	\$842,894	\$131,615	\$392,454	\$150,000	\$160,000	\$834,069	\$140,000	\$130,000	\$130,000	\$120,000	\$520,000	\$500,000
Director fees	\$1,215,307	\$50,000	\$290,000	\$695,000	(\$735,000)	\$300,000	\$100,000	\$100,000	\$150,000	\$150,000	\$500,000	\$150,000	\$150,000	\$150,000	\$150,000	\$600,000	\$600,000
Legal fees	\$232,616	\$136,225	\$109,130	\$142,883	\$177,027	\$565,265	\$107,449	\$145,815	\$170,000	\$160,000	\$583,264	\$100,000	\$100,000	\$100,000	\$100,000	\$400,000	\$450,000
Marketing expenses	\$0	\$95,040	\$87,680	\$217,666	\$177,699	\$578,085	\$127,913	\$133,177	\$170,000	\$200,000	\$631,090	\$220,000	\$250,000	\$270,000	\$300,000	\$1,040,000	\$1,600,000
Office expenses	\$248,561	\$282,505	\$90,407	\$76,818	\$346,277	\$796,007	\$482,458	\$395,385	\$400,000	\$400,000	\$1,677,843	\$380,000	\$370,000	\$350,000	\$350,000	\$1,450,000	\$1,600,000
Patent fees	\$37,742	\$8,334	\$3,230	\$3,584	(\$15,148)	\$6,308	\$6,308	\$7,000	\$7,300	\$20,608	\$8,000	\$8,000	\$8,000	\$8,500	\$8,500	\$33,000	\$40,000
Research expenses	\$672,209	\$361,652	\$45,943	\$362,500	\$41,763	\$811,858	\$432,925	\$368,565	\$400,000	\$350,000	\$1,551,490	\$350,000	\$350,000	\$350,000	\$350,000	\$1,400,000	\$1,600,000
Salary expenses	\$0	\$270,000	\$0	\$0	\$5,784,962	\$6,054,962	\$2,000,257	\$1,200,167	\$2,600,000	\$2,800,000	\$8,600,424	\$3,000,000	\$3,000,000	\$3,300,000	\$3,300,000	\$12,600,000	\$14,400,000
Taxes	\$0	\$0	\$0	\$0	\$55,233	\$55,233	\$63,718	\$96,649	\$50,000	\$50,000	\$260,367	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000	\$300,000
Depreciation & Amortization	\$12,741	\$3,110	\$2,287	\$789	\$18,977	\$25,163	\$34,710	\$34,877	\$25,000	\$25,000	\$119,587	\$25,000	\$25,000	\$25,000	\$25,000	\$100,000	\$100,000
Goodwill impairment	\$0	\$0	\$0	\$0	\$18,326,719	\$18,326,719	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total General & Administrative	\$2,588,472	\$1,286,164	\$771,420	\$1,785,005	\$24,854,736	\$28,697,325	\$3,657,103	\$2,942,370	\$4,272,000	\$4,452,300	\$15,323,773	\$4,573,000	\$4,583,000	\$4,883,500	\$4,903,500	\$18,943,000	\$21,940,000
Operating Income (Loss)	(\$2,477,876)	(\$1,223,364)	(\$695,796)	(\$1,717,980)	(\$23,363,610)	(\$27,000,750)	(\$1,828,981)	(\$989,623)	(\$2,052,000)	(\$1,906,300)	(\$6,776,904)	(\$1,723,000)	(\$783,000)	(\$95,500)	\$1,100,500	(\$1,501,000)	\$16,060,000
Loss on debt conversions	(\$9,726,485)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Foreign exchange gain (loss)	\$50	(\$9)	\$29	\$25	(\$521)	(\$476)	\$15	(\$261)	\$20	\$20	(\$206)	\$15	\$15	\$15	\$15	\$60	\$50,000
Interest income	\$0	\$3	\$146,043	\$260,938	\$111,666	\$518,650	\$213,881	\$203,049	\$350,000	\$320,000	\$1,086,930	\$310,000	\$300,000	\$300,000	\$290,000	\$1,200,000	\$1,000,000
Interest expense	(\$328,818)	(\$12,864)	\$0	(\$2)	(\$26,546)	(\$39,412)	(\$41,075)	(\$27,596)	(\$30,000)	(\$30,000)	(\$128,671)	(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)	(\$120,000)	(\$120,000)
Debt forgiveness	\$51,031	\$0	\$10,852	\$0	\$0	\$10,852	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest forgiveness	\$7,909	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Income (loss)	(\$9,996,313)	(\$12,870)	\$156,924	\$260,961	\$84,599	\$489,614	\$172,821	\$175,192	\$320,020	\$290,020	\$958,053	\$280,015	\$270,015	\$270,015	\$260,015	\$1,080,060	\$930,000
Net Income (Loss) before taxes	(\$12,474,189)	(\$1,236,234)	(\$538,872)	(\$1,457,019)	(\$23,279,011)	(\$26,511,136)	(\$1,656,160)	(\$814,431)	(\$1,731,980)	(\$1,616,280)	(\$5,818,851)	(\$1,442,985)	(\$512,985)	\$174,515	\$1,360,515	(\$420,940)	\$16,990,000
Provision for taxes	\$0	\$0	\$0	\$0	\$0	\$233,304	\$46,270	\$87,677	\$20,000	\$10,000	\$163,947	\$20,000	\$20,000	\$20,000	\$20,000	\$80,000	\$120,000
Net Income (Loss)	(\$12,474,189)	(\$1,236,234)	(\$538,872)	(\$1,457,019)	(\$23,279,011)	(\$26,744,440)	(\$1,702,430)	(\$902,108)	(\$1,751,980)	(\$1,626,280)	(\$5,982,798)	(\$1,462,985)	(\$532,985)	\$154,515	\$1,340,515	(\$500,940)	\$16,870,000
Gain from FX translation	(\$20,268)	\$1,007	(\$12,645)	(\$45,126)	\$241,750	\$184,986	\$11,160	\$492,049	\$10,000	\$10,000	\$523,209	\$15,000	\$15,000	\$15,000	\$15,000	\$60,000	\$70,000
Total Comprehensive Income	(\$12,494,457)	(\$1,235,227)	(\$551,517)	(\$1,502,145)	(\$23,037,261)	(\$26,559,454)	(\$1,691,270)	(\$410,059)	(\$1,741,980)	(\$1,616,280)	(\$5,459,589)	(\$1,447,985)	(\$517,985)	\$169,515	\$1,355,515	(\$440,940)	\$16,940,000
Net Income (Loss) per share basic	(\$4.76)	(\$0.23)	(\$0.03)	(\$0.08)	(\$1.11)	(1.76)	(\$0.08)	(\$0.02)	(\$0.06)	(\$0.06)	(0.22)	(\$0.08)	(\$0.02)	\$0.01	\$0.05	(0.01)	0.53
Net Income (Loss) per share diluted	(\$4.76)	(\$0.23)	(\$0.03)	(\$0.08)	(\$1.11)	(1.76)	(\$0.08)	(\$0.02)	(\$0.06)	(\$0.06)	(0.22)	(\$0.08)	(\$0.02)	\$0.01	\$0.05	(0.01)	0.53
Shares for basic Net Income	2,612,061	5,272,856	15,849,518	18,885,632	20,715,466	15,180,868	22,036,272	25,350,263	28,000,000	28,200,000	25,896,634	28,500,000	28,900,000	29,300,000	30,000,000	29,175,000	32,000,000
Shares for diluted Net Income	2,612,061	5,272,856	15,849,518	18,885,632	20,715,466	15,180,868	22,036,272	25,350,263	28,000,000	28,200,000	25,896,634	28,500,000	28,900,000	29,300,000	30,000,000	29,175,000	32,000,000

Notes:

Effective February 9, 2022, the Company completed a 1 for 200 reverse split of its common stock. The Company had previously completed two 20 to 1 reverse stock splits, one in 2019 and the other in 2020. The Company's financial statements reflect all three reverse stock splits on a retroactive basis for all periods. Sunshine acquired Nora Pharma Oct. 20, 2022 and has issued combined financial statements since.

Gross Margins	48.4%	51.2%	50.3%	50.5%	37.8%	39.0%	37.4%	35.1%	37.0%	38.0%	36.9%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%
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Source: Company filings and Aegis Capital estimates

Required Disclosures

Price Target

\$3.00

Valuation Methodology

We employ a discounted Net Revenue methodology (see Valuation section).

Risk Factors

The biotechnology and medical device sectors have substantial risk factors not associated with other investment sectors. The company referred to in this report should be considered a Speculative investment. Some of these risks are:

Regulatory risk. Companies developing a new drug or device to treat most healthcare problems must get approval from the FDA (Food and Drug Administration) before it can be sold in the United States.

Clinical Development Risk. If the results of clinical trials do not meet investors' expectations, the company's share price could fall.

Dilution risk. The company may need to raise cash by offering shares, which dilutes the ownership of current shareholders.

Intellectual property risk. The company may not be able to prevent competitors from developing the same products.

Safety risk. The company's products may cause unintended harm to patients.

All investors are encouraged to read the risks set forth in the form 10-K which each public company must file with the SEC (Securities and Exchange Commission)

For important disclosures go to www.aegiscap.com.

I, David Bouchey, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject companies and their securities. I also certify that I have not been, do not, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendations in this report.

Research analyst compensation is not dependent upon investment banking revenues received by Aegis Capital Corp.

Aegis Capital Corp. intends to seek or expects to receive compensation for investment banking services from the subject company within the next three months.

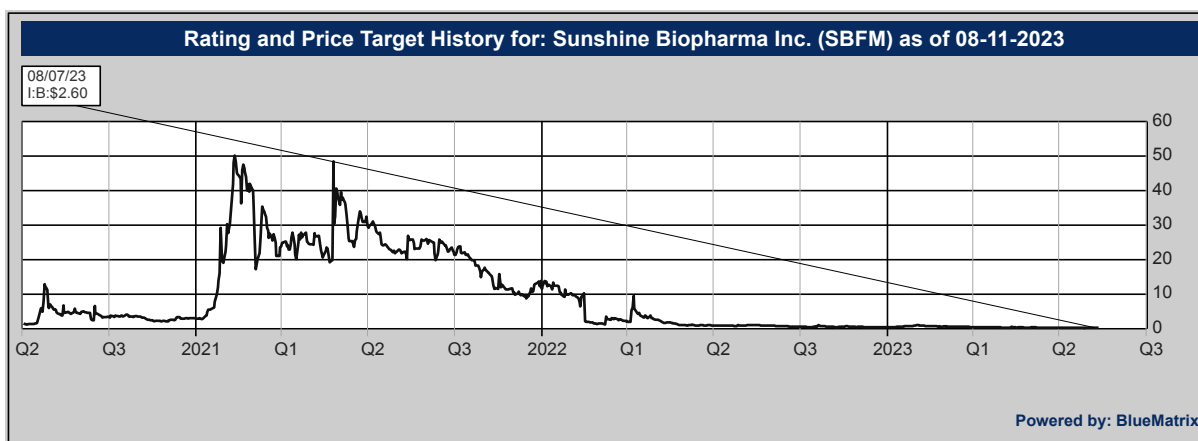
The firm nor the Research Analyst have any material conflict of interest in which the Research Analyst has a reason to know or knows at the time of publication of this research report.

As of the report date neither Aegis Capital Corp. or its affiliates beneficially own 1% or more of any class of common equity securities of the subject company of this report.

Neither the research analyst who prepared this report or a member of the research analyst's household has a financial position in the debt or equity securities of the subject company.

Aegis Capital Corp. makes a market in Sunshine Biopharma Inc..

Aegis Capital Corp. has performed investment banking services for and received fees from Sunshine Biopharma Inc. within the past 12 months.



**Investment Banking
Services/Past 12 Mos.**

Rating	Percent	Percent
BUY [BUY]	93.48	50.00
HOLD [HOLD]	6.52	16.67
SELL [SELL]	0.00	0.00

Meaning of Ratings

- A) A Buy rating is assigned when we do not believe the stock price adequately reflects a company's prospects over 12-18 months.
- B) A Hold rating is assigned when we believe the stock price adequately reflects a company's prospects over 12-18 months.
- C) A Sell rating is assigned when we believe the stock price more than adequately reflects a company's prospects over 12-18 months.

Other Disclosures

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The common stock of the subject company in this report may not be suitable for certain investors based on their investment objectives, degree of risk, as well as their financial status.

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