



April 9, 2024

**Key Metrics**

SBFM - NASDAQ	\$0.10
Pricing Date	April 8 2024
Price Target	\$3.00
52-Week Range	\$1.40 - \$0.04
Shares Outstanding (mm)	99.5
Market Capitalization (mm)	\$9.6
3-Mo Average Daily Volume	22,282,780
Book Value/Share	NM

**EPSFY: December**

	2022A	Prior 2023	Curr. 2023A	Prior 2024	Curr. 2024E
1Q-mar	(0.23)	--	(0.08)	--	(0.08)E
2Q-jun	(0.03)	--	(0.02)	--	0.00E
3Q-sep	(0.08)	--	(0.04)	0.04E	0.01E
4Q-dec	(1.11)	(0.03)	(0.05)	0.07E	0.02E
FY	(1.76)	(0.16)	(0.19)	0.09E	0.03E
P/E					

**Revenue (M)**

	2022A	Prior 2023	Curr. 2023A	Prior 2024	Curr. 2024E
1Q-mar	0.1	--	4.9	--	7.0E
2Q-jun	0.2	--	5.6	--	9.0E
3Q-sep	0.1	--	6.0	--	12.6E
4Q-dec	3.9	6.1	7.7	--	15.8E
FY	4.3	22.5	24.1	--	44.4E

**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 February 2024..

**Sunshine Biopharma Inc.****Rating: Buy****Sunshine Biopharma Beats Expectations in 4Q2023.****Investment Highlights:**

Sunshine Biopharma has filed an SEC form 10-K reporting the financial results of its Fourth Quarter and Fiscal Year 2023.

The company reported revenues of over \$24 million for 2023 with Q4 revenues of \$7.68 million, beating our estimate for Q4 revenues of \$6.1 million by 26%. What makes this revenue growth even more impressive is that it appears to be driven more by increasing sales of existing generic drugs than by the addition of new drugs to its sales portfolio. In November, the company reported having 51 generics on the market. In its 10-K, the company reported ending 2023 with 52 generic drugs on the market. Our analysis of what kind of revenue growth will be needed for Sunshine Biopharma to reach its goals of profitability in 3Q24 and \$100 million in sales in 2025 requires both an increase in the number of generics for sale and increasing sales of those generics once launched. Our published estimates for quarterly sales reflect our view of what sales levels Sunshine must meet, in our opinion, in order to reach profitability in 2024 and \$100 million in sales in 2025. We note that the company has continually met or beaten our estimates. If the company can beat our Q4 estimate by 26% based mostly on growth in sales of already marketed drugs, we feel more confident that Sunshine could meet its goals when additional drugs are launched. We note the company intends to launch 32 more generic drugs in 2024 and 2025.

Sunshine Biopharma ended 2023 with \$16.3 million in cash and raised an additional \$10 million in February 2024 through an offering of 71,428,571 shares with 30% warrant coverage. The increased share count is reflected in our quarterly estimates. We note that if the company becomes profitable in 3Q24 as we expect, there may be less need for the company to raise more cash this year. We do not know if the company is considering a reverse share split.

Sunshine has an interesting pipeline of three early stage drugs in development. SBFM-PL4 and K1.1 mRNA have advanced to the animal testing stage in 2023 while Adva-27a remains halted in pre-IND studies. We do not expect initial human data until 1H2025.

We believe the most crucial, value-determining events will be the reporting of increasing revenues over the first nine months of 2024 with possible profitability in Q3.

**Sunshine Biopharma Quarterly and Annual Balance Sheets (USD)**

Quarter Date	1Q22 Mar. 31, 2022	2Q22 Jun. 30, 2022	3Q22 Sep. 30, 2022	FY2022 Dec. 31, 2022	1Q23 Mar. 31, 2023	2Q23 Jun. 30, 2023	3Q23 Sep. 30, 2023	FYQ23 Dec. 31, 2023
Cash & equivalents	\$13,177,625	\$41,727,775	\$40,555,931	\$21,826,437	\$19,294,218	\$19,729,491	\$18,846,140	\$16,292,347
Accounts receivable	\$24	\$24	\$22	\$1,912,153	\$1,790,480	\$2,011,308	\$2,034,119	\$2,552,362
Inventory	\$181,496	\$205,371	\$269,641	\$3,289,945	\$3,709,987	\$4,250,887	\$4,517,044	\$5,734,755
Prepaid expenses	\$38,632	\$48,562	\$27,390	\$283,799	\$152,262	\$107,023	\$37,556	\$310,591
Deposits	\$7,590	\$7,590	\$7,590					
<b>Total Current Assets</b>	<b>\$13,405,367</b>	<b>\$41,989,322</b>	<b>\$40,860,574</b>	<b>\$27,312,334</b>	<b>\$24,946,947</b>	<b>\$26,098,709</b>	<b>\$25,434,859</b>	<b>\$24,890,055</b>
Property, plant & equipment	\$3,975	\$1,642	\$3,770	\$394,249	\$368,032	\$366,684	\$334,922	\$365,868
Intangible assets	\$0	\$0	\$0	\$776,856	\$948,240	\$1,233,570	\$1,216,207	\$1,444,259
Right-of-use asset	\$0	\$0	\$0	\$760,409	\$728,129	\$711,059	\$664,296	\$646,779
<b>Total assets</b>	<b>\$13,409,342</b>	<b>\$41,990,964</b>	<b>\$40,864,344</b>	<b>\$29,243,848</b>	<b>\$26,991,348</b>	<b>\$28,410,022</b>	<b>\$27,650,284</b>	<b>\$27,346,961</b>
Accounts payable & accrued expenses	\$95,234	\$104,684	\$480,209	\$2,802,796	\$2,736,154	\$1,759,789	\$2,220,870	\$2,585,466
Earnout payable	\$0	\$0	\$0	\$3,632,000	\$3,632,000	\$2,547,831	\$2,547,831	\$2,547,831
Income tax payable	\$0	\$0	\$0	\$373,191	\$416,245	\$230,581	\$201,541	\$299,869
Right-of-use liability	\$0	\$0	\$0	\$123,026	\$121,303	\$122,146	\$117,840	\$118,670
<b>Total Current Liabilities</b>	<b>\$95,234</b>	<b>\$104,684</b>	<b>\$480,209</b>	<b>\$6,931,014</b>	<b>\$6,905,702</b>	<b>\$4,660,347</b>	<b>\$5,088,082</b>	<b>\$5,551,836</b>
Deferred Tax liability	\$0	\$0	\$0	\$43,032	\$43,032	\$43,032	\$43,032	\$48,729
Right-of-use liability	\$0	\$0	\$0	\$642,232	\$613,136	\$596,850	\$555,687	\$539,035
<b>Total Liabilities</b>	<b>\$95,234</b>	<b>\$104,684</b>	<b>\$480,209</b>	<b>\$7,616,278</b>	<b>\$7,561,870</b>	<b>\$5,300,229</b>	<b>\$5,686,801</b>	<b>\$6,139,600</b>
Preferred stock, Series B	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Common stock	\$7,150	\$18,886	\$18,886	\$22,585	\$22,139	\$25,746	\$25,678	\$28,024
Capital paid in excess of par	\$47,219,498	\$76,331,451	\$76,331,451	\$80,841,752	\$80,335,376	\$84,422,143	\$84,387,890	\$84,387,890
Accumulated comprehensive income	(22,132)	(34,777)	(79,903)	161,847	\$173,007	\$665,056	\$204,549	\$696,105
Accumulated deficit	(33,891,408)	(34,430,280)	(35,887,299)	(59,399,614)	(\$61,102,044)	(\$62,004,152)	(\$62,655,634)	(\$63,905,658)
<b>Total Stockholders Equity</b>	<b>\$13,314,108</b>	<b>\$41,886,280</b>	<b>\$40,384,135</b>	<b>\$21,627,570</b>	<b>\$19,429,478</b>	<b>\$23,109,793</b>	<b>\$21,963,483</b>	<b>\$21,207,361</b>
<b>Total Equity &amp; Liabilities</b>	<b>\$13,409,342</b>	<b>\$41,990,964</b>	<b>\$40,864,344</b>	<b>\$29,243,848</b>	<b>\$26,991,348</b>	<b>\$28,410,022</b>	<b>\$27,650,284</b>	<b>\$27,346,961</b>
<b>Change in cash and securities:</b>	<b>(\$8,648,812)</b>	<b>\$28,550,150</b>	<b>(\$1,171,844)</b>	<b>(\$18,729,494)</b>	<b>(\$2,532,219)</b>	<b>\$435,273</b>	<b>(\$883,351)</b>	<b>(\$2,553,793)</b>

Source: Company filings and Aegis Capital estimates

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

Quarter	FY 2022	1Q23	2Q23	3Q23	4Q23	FY 2023	1Q24 Est.	2Q24 Est.	3Q24 Est.	4Q24 Est.	FY 2024 Est.	FY 2025 Est.
Date	Dec. 31, 2022	Mar. 31, 2023	Jun. 30, 2023	Sep. 30, 2023	Dec. 31, 2023	Dec. 31, 2023	Mar. 31, 2024	Jun. 30, 2024	Sep. 30, 2024	Dec. 31, 2024	Dec. 31, 2024	Dec. 31, 2025
Sales	\$4,345,603	\$4,894,053	\$5,560,865	\$5,957,668	\$7,680,201	\$24,092,787	\$7,000,000	\$9,000,000	\$12,600,000	\$15,800,000	\$44,400,000	\$100,000,000
Cost of sales	\$2,649,028	\$3,065,931	\$3,608,118	\$3,967,412	\$5,112,155	\$15,753,616	\$4,340,000	\$5,580,000	\$7,812,000	\$9,796,000	\$27,528,000	\$62,000,000
<b>Gross Profit</b>	<b>\$1,696,575</b>	<b>\$1,828,122</b>	<b>\$1,952,747</b>	<b>\$1,990,256</b>	<b>\$2,568,046</b>	<b>\$8,339,171</b>	<b>\$2,660,000</b>	<b>\$3,420,000</b>	<b>\$4,788,000</b>	<b>\$6,004,000</b>	<b>\$16,872,000</b>	<b>\$38,000,000</b>
Accounting expenses	\$341,139	\$169,750	\$75,281	\$56,350	\$162,324	\$463,705	\$150,000	\$150,000	\$150,000	\$150,000	\$600,000	\$750,000
Consulting expenses	\$842,894	\$131,615	\$392,454	\$221,781	\$104,323	\$850,173	\$140,000	\$130,000	\$130,000	\$120,000	\$520,000	\$500,000
Director fees	\$300,000	\$100,000	\$100,000	\$100,000	\$100,000	\$400,000	\$100,000	\$100,000	\$100,000	\$100,000	\$400,000	\$600,000
Legal fees	\$565,265	\$107,449	\$145,815	\$133,302	\$125,633	\$512,199	\$100,000	\$100,000	\$100,000	\$100,000	\$400,000	\$450,000
Marketing expenses	\$578,085	\$127,913	\$133,177	\$241,897	\$231,261	\$734,248	\$250,000	\$260,000	\$270,000	\$300,000	\$1,080,000	\$1,600,000
Office expenses	\$796,007	\$482,458	\$395,385	\$544,215	\$720,297	\$2,142,355	\$500,000	\$500,000	\$500,000	\$500,000	\$2,000,000	\$1,600,000
Patent fees	\$6,308	\$6,308	\$0	\$0	\$7,800	\$14,108	\$8,000	\$8,000	\$8,500	\$8,500	\$33,000	\$40,000
Research expenses	\$811,858	\$432,925	\$368,565	\$238,012	\$816,328	\$1,855,830	\$350,000	\$350,000	\$350,000	\$350,000	\$1,400,000	\$1,600,000
Salary expenses	\$6,054,962	\$2,000,257	\$1,200,167	\$1,144,377	\$1,368,167	\$5,712,968	\$2,000,000	\$2,000,000	\$2,300,000	\$2,300,000	\$8,600,000	\$14,400,000
Taxes	\$55,233	\$63,718	\$96,649	\$52,586	\$76,784	\$289,737	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000	\$300,000
Depreciation & Amortization	\$25,163	\$34,710	\$34,877	\$37,210	\$42,350	\$149,147	\$25,000	\$25,000	\$25,000	\$25,000	\$100,000	\$100,000
Goodwill impairment	\$18,326,719	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total General &amp; Administrative</b>	<b>\$28,697,325</b>	<b>\$3,657,103</b>	<b>\$2,942,370</b>	<b>\$2,769,730</b>	<b>\$3,755,267</b>	<b>\$13,124,470</b>	<b>\$3,673,000</b>	<b>\$3,673,000</b>	<b>\$3,983,500</b>	<b>\$4,003,500</b>	<b>\$15,333,000</b>	<b>\$21,940,000</b>
<b>Operating Income (Loss)</b>	<b>(\$27,000,750)</b>	<b>(\$1,828,981)</b>	<b>(\$989,623)</b>	<b>(\$779,474)</b>	<b>(\$1,187,221)</b>	<b>(\$4,785,299)</b>	<b>(\$1,013,000)</b>	<b>(\$253,000)</b>	<b>\$804,500</b>	<b>\$2,000,500</b>	<b>\$1,539,000</b>	<b>\$16,060,000</b>
Loss on debt conversions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Foreign exchange gain (loss)	(\$476)	\$15	(\$261)	\$40	(\$39)	(\$245)	\$15	\$15	\$15	\$15	\$60	\$50,000
Interest income	\$518,650	\$213,881	\$203,049	\$207,431	\$187,613	\$811,974	\$310,000	\$300,000	\$300,000	\$290,000	\$1,200,000	\$1,000,000
Interest expense	(\$39,412)	(\$41,075)	(\$27,596)	(\$38,527)	(\$30,110)	(\$137,308)	(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)	(\$120,000)	(\$120,000)
Debt forgiveness	\$10,852	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest forgiveness	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Other Income (loss)</b>	<b>\$489,614</b>	<b>\$172,821</b>	<b>\$175,192</b>	<b>\$168,944</b>	<b>\$157,464</b>	<b>\$674,421</b>	<b>\$280,015</b>	<b>\$270,015</b>	<b>\$270,015</b>	<b>\$260,015</b>	<b>\$1,080,060</b>	<b>\$930,000</b>
Net Income (Loss) before taxes	(\$26,511,136)	(\$1,656,160)	(\$814,431)	(\$610,530)	(\$1,029,757)	(\$4,110,878)	(\$732,985)	\$17,015	\$1,074,515	\$2,260,515	\$2,619,060	\$16,990,000
Provision for taxes	\$233,304	\$46,270	\$87,677	\$40,952	\$220,267	\$395,166	\$40,000	\$40,000	\$40,000	\$40,000	\$160,000	\$180,000
<b>Net Income (Loss)</b>	<b>(\$26,744,440)</b>	<b>(\$1,702,430)</b>	<b>(\$902,108)</b>	<b>(\$651,482)</b>	<b>(\$1,250,024)</b>	<b>(\$4,506,044)</b>	<b>(\$772,985)</b>	<b>(\$22,985)</b>	<b>\$1,034,515</b>	<b>\$2,220,515</b>	<b>\$2,459,060</b>	<b>\$16,810,000</b>
Gain from FX translation	\$184,986	\$11,160	\$492,049	(\$460,507)	\$491,556	\$534,258	\$15,000	\$15,000	\$15,000	\$15,000	\$60,000	\$70,000
<b>Total Comprehensive Income</b>	<b>(\$26,559,454)</b>	<b>(\$1,691,270)</b>	<b>(\$410,059)</b>	<b>(\$1,111,989)</b>	<b>(\$758,468)</b>	<b>(\$3,971,786)</b>	<b>(\$757,985)</b>	<b>(\$7,985)</b>	<b>\$1,049,515</b>	<b>\$2,235,515</b>	<b>\$2,519,060</b>	<b>\$16,880,000</b>
<b>Net Income (Loss) per share</b>	<b>(1.76)</b>	<b>(\$0.08)</b>	<b>(\$0.02)</b>	<b>(\$0.04)</b>	<b>(\$0.05)</b>	<b>(0.19)</b>	<b>(\$0.08)</b>	<b>(\$0.00)</b>	<b>\$0.01</b>	<b>\$0.02</b>	<b>0.03</b>	<b>0.17</b>
basic												
<b>Net Income (Loss) per share</b>	<b>(1.76)</b>	<b>(\$0.08)</b>	<b>(\$0.02)</b>	<b>(\$0.04)</b>	<b>(\$0.05)</b>	<b>(0.19)</b>	<b>(\$0.08)</b>	<b>(\$0.00)</b>	<b>\$0.01</b>	<b>\$0.02</b>	<b>0.03</b>	<b>0.17</b>
diluted												
Shares for basic Net Income	15,180,868	22,036,272	25,350,263	25,690,449	24,250,648	24,331,908	99,500,000	99,700,000	99,900,000	100,000,000	99,775,000	100,000,000
Shares for diluted Net Income	15,180,868	22,036,272	25,350,263	25,690,449	24,250,648	24,331,908	99,500,000	99,700,000	99,900,000	100,000,000	99,775,000	100,000,000

**Notes:**

The company completed an offering of 71,428,571 shares of common stock with 30% warrant coverage in February 2024, raising \$10 million gross.

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. The company may also enact a reverse split, which could affect share price.

**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](http://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.

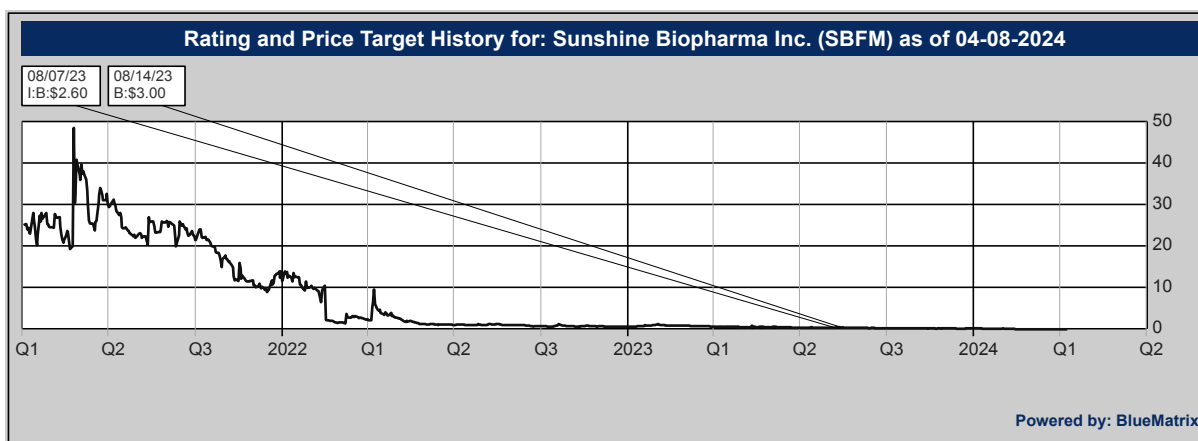
The firm nor the Research Analyst have any material conflict of interest in which the Research Analyst has a reason to know or knows at the time of publication of this research report.

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
<b>BUY [BUY]</b>	<b>93.24</b>	<b>49.28</b>
<b>HOLD [HOLD]</b>	<b>6.76</b>	<b>20.00</b>
<b>SELL [SELL]</b>	<b>0.00</b>	<b>0.00</b>

### 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

Other Disclosures The information contained herein is based upon sources believed to be reliable but is not guaranteed by us and is not considered to be all inclusive. It is not to be construed as an offer or the solicitation of an offer to sell or buy the securities mentioned herein. Aegis Capital Corp., its affiliates, shareholders, officers, staff, and/or members of their families, may have a position in the securities mentioned herein, and, before or after your receipt of this report, may make or recommend purchases and/or sales for their own accounts or for the accounts of other customers of the Firm from time to time in the open market or otherwise. Opinions expressed are our present opinions only and are subject to change without notice. Aegis Capital Corp. is under no obligation to provide updates to the opinions or information provided herein. Additional information is available upon request.

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.

© Copyright 2024 by Aegis Capital  
**Aegis Capital Corp.**  
**(212) 813-1010**  
**1345 Avenue of the Americas, 27th Floor**  
**New York, New York 10105**