Trickle Research

Every raging river, every great lake, every deep blue sea starts … with a trickle

Clinical Update

PERSPECTIVE™ THERAPEUTICS

Perspective Therapeutics, Inc.

(NYSE American: CATX)

Report Date: 01/28/25

12- 24 month Price Target: $20.50

Allocation: 6

Closing Stock Price at Initiation (Closing Px: 12/28/23): $4.55

Closing Stock Price at Target Increase (Closing Px: 03/19/24): $11.20

Closing Stock Price at This Allocation Increase (Closing Px: 12/12/24): $3.47

Closing Stock Price at This Update (Closing Px: 01/27/25): $3.83

(All prices above reflect the impact of a 1 for 10 reverse stock split on 06/14/24)

Prepared By:
David L. Lavigne
Senior Analyst, Managing Partner
Trickle Research

Disclosure: Portions of this report are excerpted from Perspective's filings, website(s), presentations or other public collateral. We have attempted to identify those excerpts by *italicizing* them in the text.

On 12/13/24 we provided an update around the Company's release of *initial results* from its ongoing Phase 1/2a clinical trial of [212Pb]VMT-α-NET, which is the Company's novel (lead) treatment for neuroendocrine tumors ("NET"s). The Company's shares declined precipitously following the release of those preliminary results. Thereafter, we provided an update that was clearly contrary to some of the street's view of the results, suggesting that first, this is a dosing study and the results have provided clear safety rationale for continuing to advance the studies planned dosing cohorts, and second, that it is (was) too early to make definitive conclusions around any efficacy data because the initial study included a limited number of patients (9), and the results of all planned treatments had not even been gathered. We would suggest that those who did not take a look at our last update perhaps do so. That said, a few days ago, the Company announced some additional results from the study that we found to be additive to our prior conclusions. We will recap that update briefly below.

Illustration 1. reflects the updated "Preliminary Assessment of Disease Control Durability" versus that same information from the data available in our prior update (and to reiterate, the data the street did not receive favorably) in **Illustration 2**. Notice the new information includes two additional "First Response" patients versus **Illustration 2**.

Illustration 1.

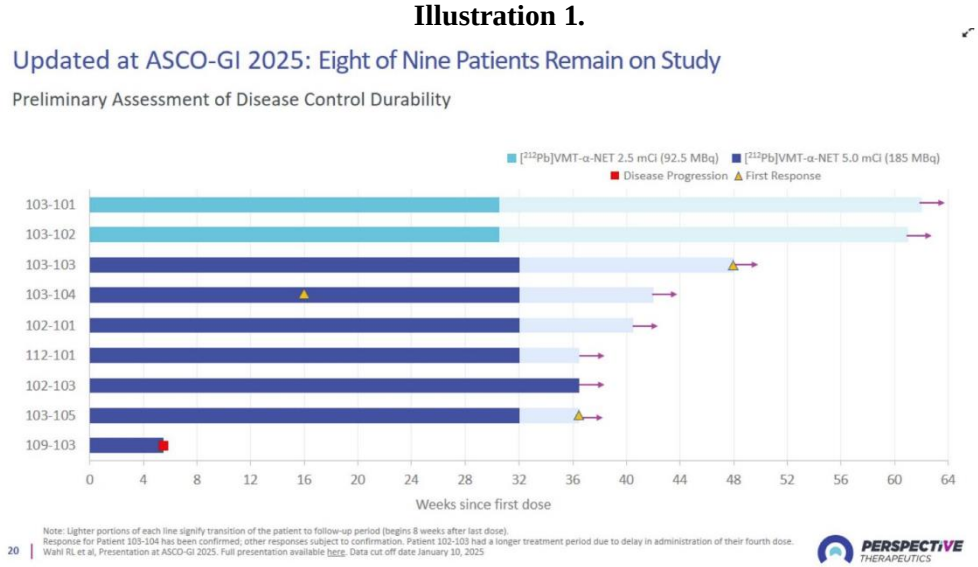
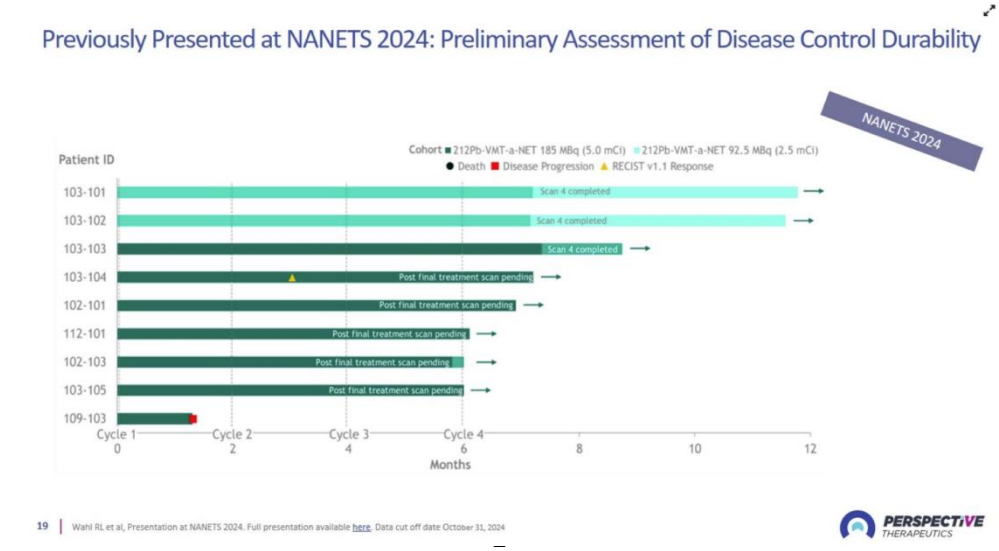


Illustration 2.



In our last update, we provide some color on the general methodology of RECIST v1.1. that color included the notion that RECIST v1.1 is a surrogate endpoint, and as such it is a valuable tool in evaluating tumor progression, but at points in time is certainly not definitive. To that end, **Illustration 3** below reflects the relative RECIST v1.1 progress of those in the study versus **Illustration 4**, reflecting the RECIST v1.1 data from the prior preliminary data release. In short, several of the patients have experienced further RECIST progress, which brings us to an additional point which investigators discussed on the call, and we will cover below, but first, **Illustrations 5 and 6** reflect the spider charts of the patient responses again comparing the new data (**Illustration 5.**) with the prior data (**Illustration 6**.) reflecting in our view, compelling advancing efficacy data.

Illustration 3.

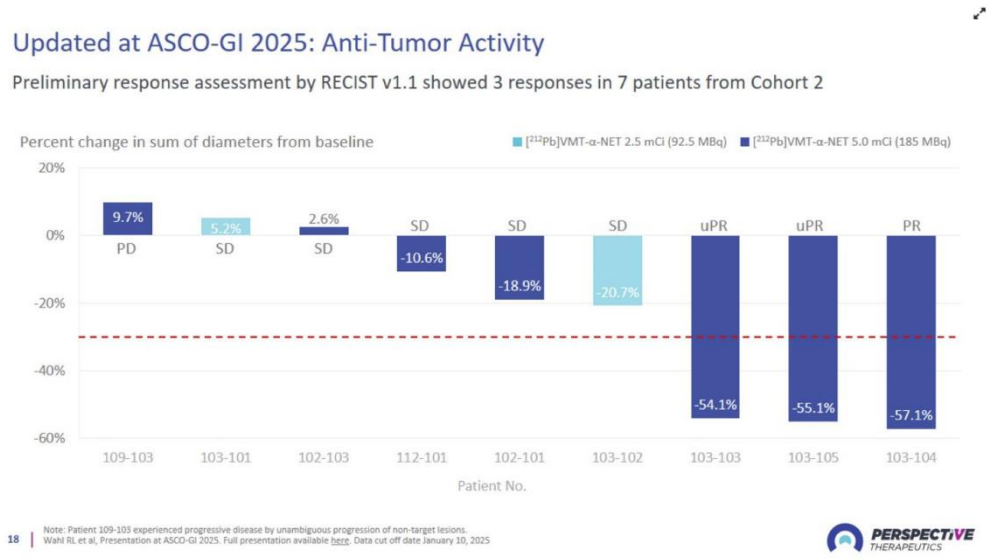


Illustration 4.

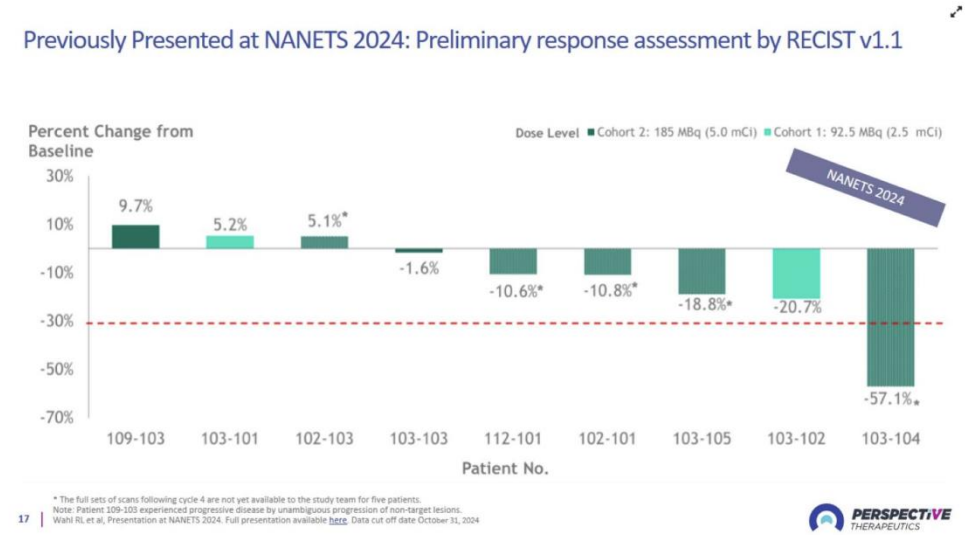


Illustration 5.

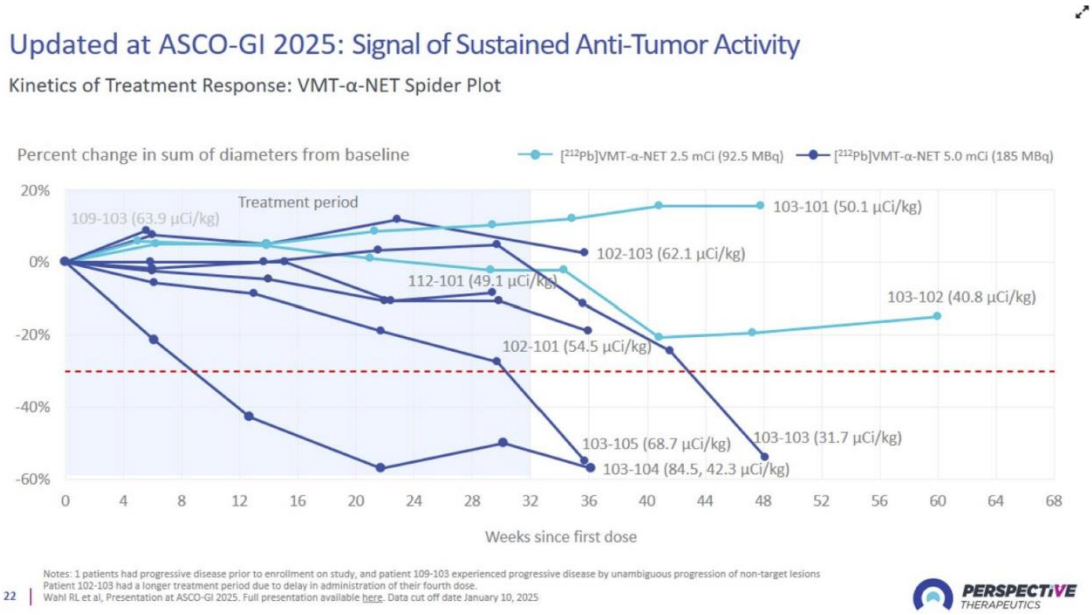
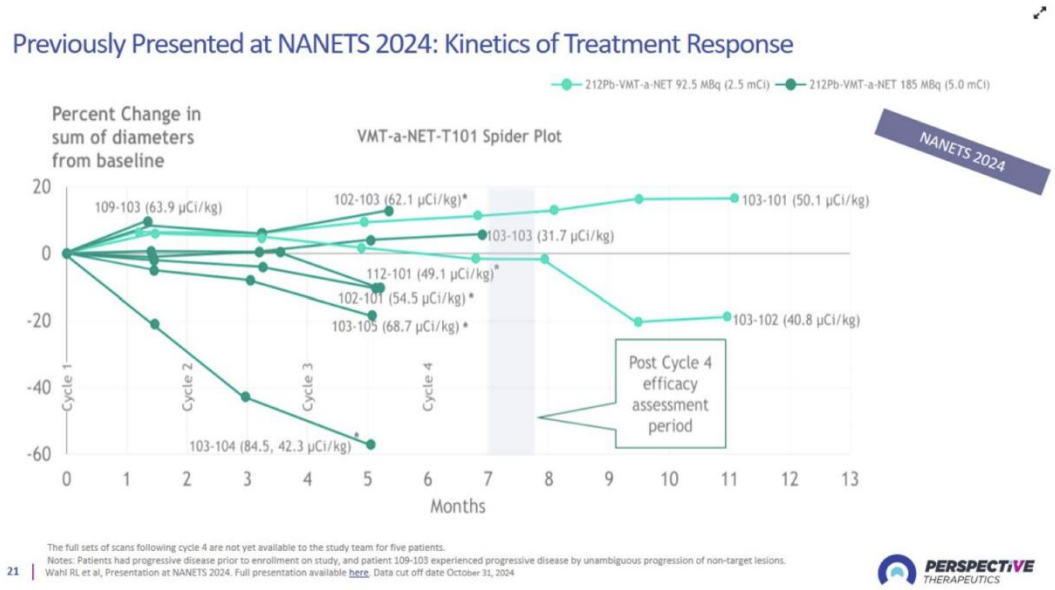


Illustration 6.



As we touched on above, scientists on the call provided some color with respect to tumor progression in alpha particle radiotherapy and NE tumors more specifically. The call noted that sometimes with slower growth tumors (NETs for instance) *"you can have cell death, or reproductive death, without the (immediate) metabolic death of the cell"* and as a result, "*because of the nature of their cell division and radiobiology these tumors can continue to shrink"* (beyond treatment cessation). We think this speaks to the overall notion we raised in our last update that it was likely too early to effectively assess the RECIST data from the first update. Further, the relative positive progression of patients as reflected in the comparative illustrations above appears to bear that out. To reiterate, we believe the efficacy results to this point are encouraging and are not congruent with the compression in the stock around the release of the initial results. Further, efficacy

data speaks to the necessity of expanding Cohort 2 as well as preparing for escalation through Cohort 3, which brings us to one final point.

We thought the questions on the call were insightful and constructive, especially in the context of the Company's respective answers, and several of those focused on what dose escalation might look like. To that end, the Company noted that they have enrolled 11 additional patients in Cohort 2, which we think is quite encouraging. Recall, we noted in the update that there seemed to be some concern in the street that the early results might somehow compromise ongoing dose escalation. That does not appear to be valid. We would add, the efficacy results above with respect to favorable patient responses from those in Cohort 1 vs. Cohort 2, indicate the value of higher dosing. That said, and again back to some of the questions, there does seem to be some correlation between dosing amounts and relative body weight, and as a result, they may need to consider dosing with patient body weight in mind. We addressed this in the prior update as well, but we think it is fair to say that those of us following the trials will be interested to see the criteria developed along the way to try to arrive at optimal dosing regimens.

To summarize, as we noted in the prior update, but perhaps contrary to the street's view, we believe the Company's NET trial has demonstrated and continues to demonstrate not only very favorable safety data, which supports the established escalating dosing protocol(s), but also emerging efficacy data that we believe will continue to evolve favorably as patients' progress (ie: "because of the nature of their cell division and radiobiology these tumors can continue to shrink"), and higher dosing enrollments and cohorts advance.

Lastly, we would encourage people to listen to the webcast of the recent results which are available at Events - Perspective Therapeutics **January 24, 2025, ASCO Gastrointestinal Cancers Symposium**.

We remain of the view that with Perspective trading at something near cash, the stock is perhaps deeply oversold.

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Portions of this publication excerpted from company filings or other sources are noted in *italics* and referenced throughout the report.

Rating System Overview:

There are no letters in the rating system (Buy, Sell Hold), only numbers. The numbers range from 1 to 10, with 1 representing 1 "investment unit" (for my performance purposes, 1 "investment unit" equals $250) and 10 representing 10 investment units or $2,500. Obviously, a rating of 10 would suggest that I favor the stock (at respective/current levels) more than a stock with a rating of 1. As a guideline, here is a suggestion on how to use the allocation system.

Our belief at Trickle is that the best way to participate in the micro-cap/small cap space is by employing a diversified strategy. In simple terms, that means you are generally best off owning a number of issues rather than just two or three. To that point, our goal is to have at least 20 companies under coverage at any point in time, so let's use that as a guideline. Hypothetically, if you think you would like to commit $25,000 to buying micro-cap stocks, that would assume an investment of $1000 per stock (using the diversification approach we just mentioned, and the 20-stock coverage list we suggested and leaving some room to add to positions around allocation upgrades. We generally start initial coverage stocks with an allocation of 4. Thus, at $1000 invested per stock and a typical starting allocation of 4, your "investment unit" would be the same $250 we used in the example above. Thus, if we initiate a stock at a 4, you might consider putting $1000 into the position ($250 * 4). If we later raise the allocation to 6, you might consider adding two additional units or $500 to the position. If we then reduce the allocation from 6 to 4 you might consider selling whatever number of shares you purchased with 2 of the original 4 investment units. Again, this is just a suggestion as to how you might be able to use the allocation system to manage your portfolio.

For those attached to more traditional rating systems (Buy, Sell, Hold) we would submit the following guidelines.

A Trickle rating of 1 thru 3 would best correspond to a "Hold" although we would caution that a rating in that range should not assume that the stock is necessarily riskier than a stock with a higher rating. It may carry a lower rating because the stock is trading closer to a price target we are unwilling to raise at that point. This by the way applies to all of our ratings.

A Trickle rating of 4 thru 6 might best (although not perfectly) correspond to a standard "Buy" rating.

A Trickle rating of 7 thru 10 would best correspond to a "Strong Buy" however, ratings at the higher end of that range would indicate something that we deem as quite extraordinary..... an "Extreme Buy" if you will. You will not see a lot of these.