

VERU INC

Consolidated Balance Sheets - USD (\$)	Sep. 30, 2024		Sep. 30, 2023		Sep. 30, 2022		Sep. 30, 2021	
Cash and cash equivalents	24,916,285	41.2%	9,625,494	19.2%	80,190,675	58.9%	122,359,535	68.7%
Accounts receivable, net	3,960,305	6.6%	4,506,508	9.0%	3,550,895	2.6%	8,794,224	4.9%
Notes receivable	0	0.0%	0	0.0%	0	0.0%	5,000,000	2.8%
Inventories, net	4,144,179	6.9%	6,697,117	13.4%	8,618,944	6.3%	5,574,253	3.1%
Prepaid research and development costs	419,371	0.7%	1,006,252	2.0%	10,444,587	7.7%	9,174,586	5.2%
Prepaid expenses and other current assets	1,783,084	3.0%	1,097,851	2.2%	1,964,373	1.4%	850,889	0.5%
Total current assets	35,223,224		22,933,222		104,769,474		151,753,487	
Plant and equipment, net	1,284,654	2.1%	1,652,732	3.3%	1,185,766	0.9%	592,603	0.3%
Operating lease right-of-use asset	3,561,773	5.9%	4,332,473	8.7%	4,786,915	3.5%	969,839	0.5%
Deferred income taxes	12,340,237	20.4%	12,707,419	25.4%	12,965,985	9.5%	13,024,550	7.3%
Intangible assets, net	0	0.0%	5,952	0.0%	3,977,381	2.9%	4,048,810	2.3%
Goodwill	6,878,932	11.4%	6,878,932	13.8%	6,878,932	5.1%	6,878,932	3.9%
Other assets	1,129,952	1.9%	1,512,361	3.0%	1,561,564	1.1%	878,502	0.5%
Total assets	60,418,772		50,023,091		136,126,017		178,146,723	
LIABILITIES AND STOCKHOLDERS' EQUITY								
Accounts payable	3,036,841	5.0%	12,931,172	25.9%	22,003,394	16.2%	3,409,771	1.9%
Accrued research and development costs	0	0.0%	0	0.0%	9,071,503	6.7%	2,020,445	1.1%
Accrued compensation	4,679,696	7.7%	990,609	2.0%	5,986,557	4.4%	4,986,058	2.8%
Accrued expenses and other current liabilities	2,060,097	3.4%	1,987,738	4.0%	2,249,995	1.7%	1,615,922	0.9%
Residual royalty agreement, short-term portion	1,025,837	1.7%	864,623	1.7%	1,169,095	0.9%	3,237,211	1.8%
Operating lease liability, short-term portion	1,065,497	1.8%	1,036,590	2.1%	957,085	0.7%	497,903	0.3%
Total current liabilities	11,867,968		17,810,732		41,437,629		15,767,310	
Residual royalty agreement, long-term portion (	8,850,792	14.6%	8,870,136	17.7%	9,656,441	7.1%	9,397,136	5.3%
Operating lease liability, long-term portion	2,921,380	4.8%	3,634,114	7.3%	4,093,667	3.0%	609,921	0.3%
Deferred income taxes	0	0.0%	0	0.0%	81,067	0.1%	63,426	0.0%
Other liabilities	4,461,920	7.4%	29,948	0.1%	18,577	0.0%	14,986	0.0%
Total liabilities	28,102,060		30,344,930		55,287,381		25,852,779	
Preferred stock, no shares issued and outstand	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Common stock, par value \$0.01 per share; 308	1,485,676	2.5%	939,664	1.9%	826,926	0.6%	821,535	0.5%
Additional paid-in-capital	333,788,795	552.5%	283,894,830	567.5%	253,974,032	186.6%	241,658,711	135.7%
Accumulated other comprehensive loss	-581,519	-1.0%	-581,519	-1.2%	-581,519	-0.4%	-581,519	-0.3%
Accumulated deficit	-294,569,635	-487.5%	-256,768,209	-513.3%	-165,574,198	-121.6%	-81,798,178	-45.9%
Treasury stock, 2,183,704 shares, at cost	-7,806,605	-12.9%	-7,806,605	-15.6%	-7,806,605	-5.7%	-7,806,605	-4.4%
Total stockholders' equity	32,316,712		19,678,161		80,838,636		152,293,944	
Total liabilities and stockholders' equity	60,418,772		50,023,091		136,126,017		178,146,723	

VERU INC

Consolidated Statements of Operations - USD (\$)

	12 Months Ended Sep. 30, 2024		Sep. 30, 2023		Sep. 30, 2022		Sep. 30, 2021	
Revenue	16,886,419	100.0%	16,296,958	100.0%	\$39,354,352	100.0%	\$61,259,528	100.0%
Cost of revenue	<u>-11,032,442</u>	-65.3%	<u>-8,731,030</u>	-53.6%	<u>-8,762,964</u>	-22.3%	<u>-13,332,305</u>	-21.8%
Gross profit	5,853,977	34.7%	7,565,928	46.4%	30,591,388	77.7%	47,927,223	78.2%
Operating expense								
Research and development	12,808,185	75.8%	51,202,219	314.2%	70,646,103	179.5%	32,694,405	53.4%
Selling, general and administrative	31,184,097	184.7%	48,057,834	294.9%	43,168,845	109.7%	20,670,319	33.7%
Provision for credit losses	0	0.0%	3,911,714	24.0%	0	0.0%	0	0.0%
Impairment of intangible assets	<u>0</u>	0.0%	<u>3,900,000</u>	23.9%	<u>0</u>	0.0%	<u>0</u>	0.0%
Total operating expense	43,992,282	260.5%	107,071,767	657.0%	113,814,948	289.2%	53,364,724	87.1%
Gain on sale of ENTADFI® assets (2024 and 2	1,222,908		5,723,623				18,410,158	
Operating income (loss)	-36,915,397	-218.6%	-93,782,216	-575.5%	-83,223,560	-211.5%	12,972,657	21.2%
Non-operating income (expenses):								
Interest expense	-607,470	-3.6%	-2,427,041	-14.9%	-4,368,798	-11.1%	-4,886,054	-8.0%
Change in fair value of derivative liabilities	-239,000	-1.4%	2,963,000	18.2%	3,557,000	9.0%	-3,669,000	-6.0%
Change in fair value of equity securities	-176,077	-1.0%	0	0.0%	0	0.0%	0	0.0%
Other income, net	<u>861,619</u>	5.1%	<u>573,771</u>	3.5%	<u>495,735</u>	1.3%	<u>-152,367</u>	-0.2%
Total non-operating income (expenses)	-160,928	-1.0%	1,109,730	6.8%	-316,063	-0.8%	-8,707,421	-14.2%
Earnings (loss) before income taxes	-37,076,325	-219.6%	-92,672,486	-568.6%	-83,539,623	-212.3%	4,265,236	7.0%
Income tax expense (benefit)	<u>725,101</u>	4.3%	<u>480,206</u>	2.9%	<u>236,397</u>	0.6%	<u>-3,129,138</u>	-5.1%
Net (loss) income	-37,801,426	-223.9%	-93,152,692	-571.6%	-83,776,020	-212.9%	7,394,374	12.1%
Basic (loss) earnings per share (in dollars per	-0.28		-1.10		-1.05		0.10	
Diluted (loss) earnings per share (in dollars p	-0.28		-1.10		-1.05		0.09	
Weighted-average common shares outstanding								
Basic (in shares)	134,875,016		84,973,382		80,122,526		76,272,853	
Diluted (in shares)	134,875,016		84,973,382		80,122,526		83,802,420	

VERU INC

Consolidated Statements of Cash Flows - USD (\$)

12 Months Ended

Sep. 30, 2024 Sep. 30, 2023 Sep. 30, 2022 Sep. 30, 2021

OPERATING ACTIVITIES

Net (loss) income	-37,801,426	-93,152,692	-83,776,020	7,394,374
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization	268,177	269,874	209,595	211,394
Impairment of intangible assets	0	3,900,000	0	0
Provision for credit losses	0	3,911,714	0	0
Gain on sale of ENTADFI® assets (2024 and 2023) and PREB	-1,222,908	-5,723,623	0	-18,410,158
Noncash change in right-of-use assets	770,700	741,257	594,398	382,476
Noncash interest expense, net of interest paid	-97,130	1,872,223	1,748,189	-3,594,214
Share-based compensation	13,644,405	17,918,603	11,242,423	5,050,389
Deferred income taxes	367,182	177,499	76,206	-3,569,048
Provision for obsolete inventory	1,566,830	185,499	82,019	583,503
Change in fair value of derivative liabilities	239,000	-2,963,000	-3,557,000	3,669,000
Change in fair value of equity securities	176,077	0	0	0
Loss on disposal of fixed assets	184,267	290	0	0
Other	0	0	-6,777	-6,182
Changes in operating assets and liabilities:				
Decrease (increase) in accounts receivable	546,203	-4,153,327	4,537,829	-3,561,987
Decrease in inventories	986,108	648,628	-3,126,710	546,378
Decrease in prepaid expenses and other assets	862,039	9,810,245	-2,352,547	-8,643,316
Decrease in accounts payable	-5,432,411	-9,072,222	18,593,623	597,098
Increase (decrease) in accrued expenses and other liabilities:	3,944,381	-11,717,919	8,698,314	4,248,234
Decrease in operating lease liabilities	-683,827	-666,863	-468,546	-468,965
Net cash used in operating activities	-21,682,333	-88,013,814	-47,505,004	-15,571,024

INVESTING ACTIVITIES

Cash proceeds from sale of ENTADFI® assets (2024 and 202	304,536	7,000,000	5,000,000	15,000,000
Capital expenditures	-158,322	-665,700	-733,052	-376,649
Net cash provided by investing activities	146,214	6,334,300	4,266,948	14,623,351

FINANCING ACTIVITIES

Proceeds from stock option exercises	3,280	389,058	1,078,289	1,775,567
Proceeds from sale of shares in public offering, net of comm	35,228,564	0	0	107,962,298
Proceeds from sale of shares pursuant to Jefferies Sales Agr	66,551	1,040,321	0	0
Proceeds from sale of shares under common stock purchas	1,661,490	4,846,691	0	0
Payment of deferred equity financing issuance costs	0	-263,757	0	0
Cash paid for debt portion of finance lease	0	0	-9,093	-19,435
Proceeds from sale of shares in a private investment in publi	0	4,969,045	0	0
Proceeds from premium finance agreement	0	1,425,174	0	1,061,442
Installment payments on premium finance agreement	-132,975	-1,292,199	0	-1,061,442
Net cash provided by financing activities	36,826,910	11,114,333	1,069,196	109,718,430

Net (decrease) in cash and cash equivalents	15,290,791	-70,565,181	-42,168,860	108,770,757
Cash and cash equivalents at beginning of period	9,625,494	80,190,675	122,359,535	13,588,778
Cash and cash equivalents at end of period	24,916,285	9,625,494	80,190,675	122,359,535

VERU INC

		2025	2024	2023
Profitability ratios		Ratios	Ratios	Ratios
Return on equity	Net income / Average Shareholders' equity	-145.4%	-185.3%	-71.9%
Return on assets	Net income / Average assets	-68.5%	-100.1%	-53.3%
Gross profit margin	Gross profit / Sales	34.7%	46.4%	77.7%
Operating profit margin	Operating profit / Sales	-218.6%	-575.5%	-211.5%
Net profit margin	Net income / Sales	-223.9%	-571.6%	-212.9%
Turnover ratios				
Asset turnover	Sales / Average assets	0.31	0.18	0.25
Inventory turnover	Cost of goods sold / Average inventory	2.04	1.14	1.23
Inventory days	365/Inventory Turnover	179.34	320.14	295.59
Collection period	Average accounts receivable / Sales per day	91.51	90.23	57.25
Payable period	Average accounts payable / Cost of goods sold per day	264.14	730.22	529.26
Leverage & liquidity ratios				
Current ratio	Ending current assets / Ending current liabilities	2.97	1.29	2.53
Quick ratio (acid test)	(Ending liquid current assets) / Ending current liabilities	2.43	0.79	2.02
Debt to assets	Ending total liabilities / Ending total assets	0.47	0.61	0.41
Debt to equity	Ending total liabilities / Ending total equity	0.87	1.54	0.68
Financial leverage	Ending total assets / Ending total equity	1.87	2.54	1.68
Times interest earned	Earnings before interest and taxes / Interest expense	-62.03	-39.18	-20.12