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Cidara Therapeutics, Inc. (NasdaqCM: CDTX) Updating Coverage

Maintaining our Strong Buy Rating and Increasing our 12-Month Target Price to $123.00

September 22, 2025

Cidara's CD388 is Proving it's the New Way to Treat Influenza

We believe we are witnessing the rise of a paradigm shift in the influenza treatment model and as we've written before, this shift is being led by the advancement of Cidara Therapeutics (CDTX) CD388 antiviral program platform.

What we now assert is that CD388 is not only effective in seasonal strains, it has also just shown at the International Society for Respiratory Viruses (ISRV) conference, efficacy in preventing Avian Influenza (H5N1) in the prevailing test model. With a greater efficacy than current vaccines, CD388 is formidable in its strength in preventing seasonal flu. But to have the same product provide pandemic-preparedness against H5N1 is unique.

Current Price	**$68.71**
12 Month Target Price	**$123.00**
12 Month Trading Range	$10.14-$69.36
Market Capitalization (Bil)	$1.869
Shares Outstanding (Mil)	27.2*
Avg. Daily Volume	875,214
L. T. Debt (Mil)	N/A
Dividend/Yield	N/A
Book Value P/S	-$1.81
NASDAQ Composite	24,866.25
S&P 500	6,722.50

*42MM Fully diluted
Historical Performance – Page 8
Price and Volume Chart – Page 8

Between what was shown by St. Jude Children's Research Hospital investigators in their presentation of the pre-clinical H5N1 therapeutic model at ISRV and the CD388 Topline Phase 2b NAVIGATE trial results for the prevention of seasonal influenza reported in late June, we conclude that CDTX's anti-viral has shown game-changing efficacy. It surpassed vaccine protection levels in the adult and elderly population, and more importantly for the target market of 50 million Americans who suffer from comorbidities or immunosuppression it is unequaled. We believe that an analytical assessment of CDTX doubling from its current price is now appropriate, we are therefore raising our 12-month price target for CDTX from $45.00 to $123.00 and maintaining our Strong Buy rating.

CD388 is a drug-Fc conjugate (DFC) created to provide universal protection against all known strains of seasonal and pandemic influenza with the potential to provide season-long protection from a single subcutaneous or intramuscular administration. DFCs are not vaccines, nor are they monoclonal antibodies, which are expensive, require high doses and have a high cost of goods. CD388 is more like a treatment than a vaccine. Its beneficial activity does not rely on an immune response and is expected to be effective regardless of a person's immune status. CD388 strength showed up to 76% efficacy, highlighting its superiority over vaccines, again particularly in elderly and immunocompromised populations where vaccines have historically been weakest. In direct contrast to the CDC report that influenza vaccine effectiveness during the 2024–2025 season ranged from 18% to 60%, depending on age and setting, with protection as low as 18% in adults over 65 years of age.

According to ClinicalsTrials.Gov, a significant next step to watch for with CDTX's CD388, is its phase 3 trial which should start within the next 8-days.

Valuation

Rating Legend:

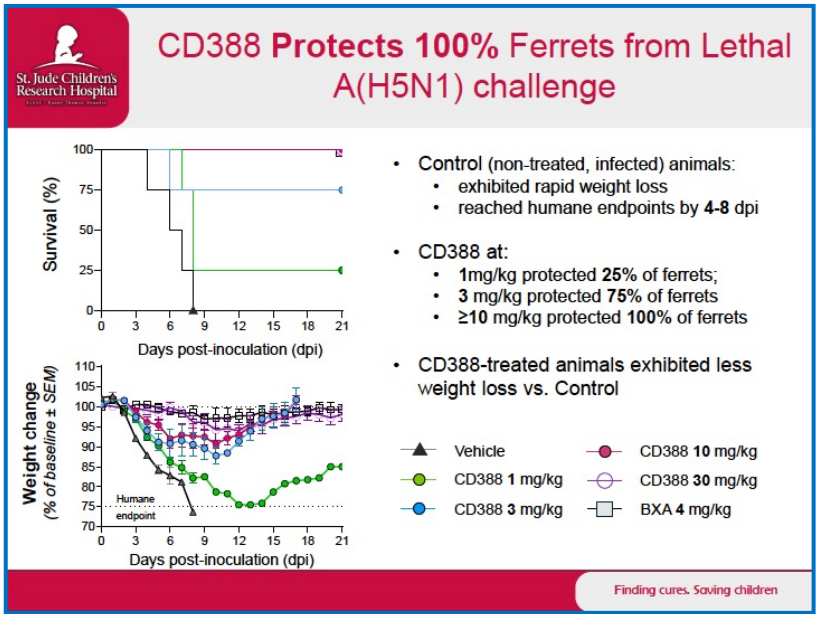
Strong Buy – Should be aggressively purchased.
Buy – Should be purchased on market weakness.
Hold – Fairly valued.
Sell – Stock should be sold on market strength.
Sell Short – Should be aggressively sold.
Speculative Buy – For aggressive accounts only.
Core Holding –– Essential holding of a long-term account.

With **robust financials ($577M in cash, no debt)** and growing efficacy consensus, CD388 is positioned to become the "**blockbuster antiviral"** and a cornerstone of flu prevention. As we have said before, CD388 represents a game-changing therapeutic with demonstrated superiority to vaccines in the general population and the elderly, along with strong pandemic preparedness potential against H5N1.

Using a sum of the parts calculation and a fully diluted share count of 42 million shares, we assign a value of $3 Billion to the seasonal flu program, $1 Billion to the H5N1 program and $1 Billion to the balance of assets. Thus we realize a 12-month price target of $123.00 and reiterate our Strong Buy rating.

H5N1 CD388 Results

On September 17-20, 2025, in Singapore, the International Society for Respiratory Viruses (ISRV) 8th AntiViral Group (AVG) Meeting and 3rd International Meeting on Respiratory Pathogens (IMRP) took place. And Cidara's non-vaccine influenza preventative, CD388 data highlighted efficacy and safety data. Below is the preclinical data on the efficacy of CD388 to prevent infection in H5N1 animal models presented by Dr. Konstantin Andreev from St. Jude Children's Research Hospital.



Source: St. Jude Children's Research Hospital

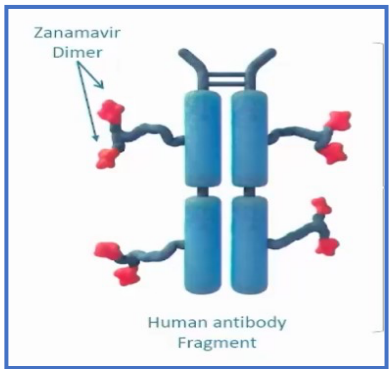
How CD388 Works

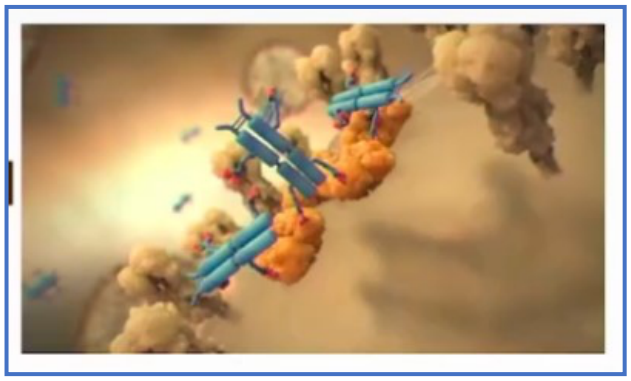
CD 388

CD388 is a novel DFC that couples a human antibody fragment with a dimer (two molecule compound) of Zanamivir, also known as Relenza. Zanamivir is a neuraminidase inhibitor. As part of a DFC it binds to the surface of an influenza virus, where it inhibits viral proliferation and directs clearance of the virus. It is more like a treatment than vaccine because it does not stimulate an antibody response. It is referred as a pre-exposure prophylaxis rather than a vaccine. CD388 is an alternative to conventional influenza vaccines because it provides long term, near universal protection and superior ability to resist influenza infections almost immediately with a single injection.

Unlike small molecule treatments, CD388 doesn't enter cells. It attaches to them, so it is safe and does not cause the typical off-target activities of a small molecule drug. A CD388 molecule can span multiple neuraminidase targets and the effect is to cause aggregation of virus particles.

On the left below is an illustration of a CD388 DFC. The illustration on the right shows how CD388 molecules span neuraminidase features of a virus particle.





Source: Cidara Therapeutics

CD388 Phase 2B Results

In June, CDTX announced unprecedented results from a Phase 2b NAVIGATE trial of CD388, which was shown to provide one-dose influenza protection throughout a flu season. The primary efficacy analysis of the NAVIGATE trial demonstrated up to 76.1% protection from influenza. This is not just unparalleled protection, but given its agnostic approach to flu strain it will likely challenge the influenza vaccine model permanently.

CD388 was designed to provide once per season protection against all strains of A and B influenza in all people, irrespective of immune status. CD388 is not a vaccine. It is a drug-Fc conjugate (DFC) therapeutic that has demonstrated efficacy to prevent flu in both healthy and immune-compromised people. CD388's drug-Fc conjugate is comprised of multiple copies of

neuraminidase, a potent small molecule flu inhibitor, combined with a proprietary fragment of the Fc region of a human antibody.
CDTX provided positive topline results from its randomized, double-blind, placebo-controlled Phase 2b NAVIGATE trial evaluating CD388 for the prevention of seasonal influenza in healthy unvaccinated adults aged 18 to 64. This as compared to the below checkered Influenza Vaccine effectiveness.

<u>The study met its primary and all secondary efficacy endpoints for all dose groups:</u>

- Single doses of 450mg, 300mg and 150mg of CD388 conferred 76.1%, 61.3% and 57.7% of protection against symptomatic influenza over 24 weeks compared to placebo
- CD388 was well-tolerated with no safety signals observed
- End of Phase 2 meeting request has been submitted to the FDA
- CDTX expects to begin a Phase 3 study in the Spring of 2026.

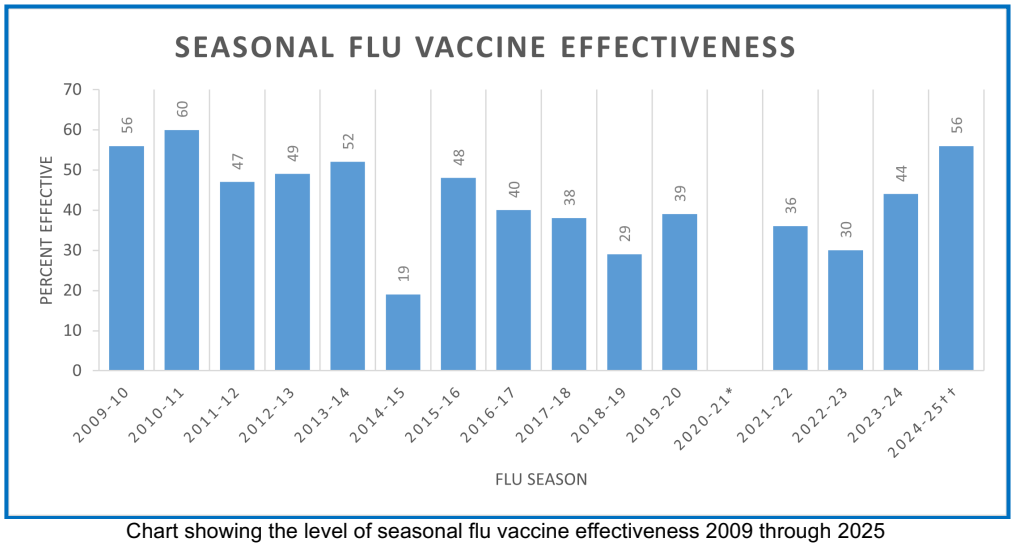


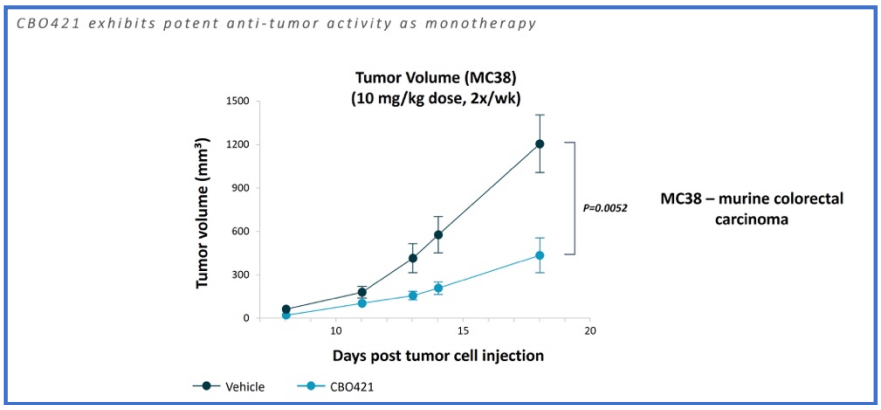
Chart showing the level of seasonal flu vaccine effectiveness 2009 through 2025

Source: CDC

Other Programs

<u>CBO421</u>

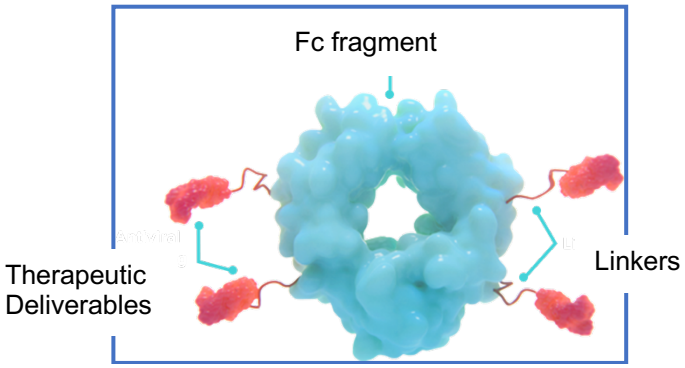
CBO421 is CDTX's lead oncology DFC candidate. CBO421 targets CD73 in the adenosine pathway, which contributes to immune evasion in solid cancers by flooding the tumor microenvironment with adenosine, a potent immune cell suppressor. CBO421 received IND clearance in July 2024 based on robust anti-tumor activity in preclinical studies of colorectal and breast cancer. CDTX does not plan to initiate clinical trials for any oncology product candidates at this time, but continues business development discussions for oncology DFC programs, including CBO421. On the next page is a graph demonstrating CBO421's anti-tumor effectiveness in a murine model.



Source: Cidara Therapeutics

Anti-cancer DFCs under development have the potential to generate robust anti-tumor activity at two-thirds the dose and half the frequency of the standard of care. More than 50% of patients treated with chemotherapy or a checkpoint inhibitor develop resistance within six months and 40% experience adverse events. DFCs can deliver either biologic or small molecule agents individually, or a combination of both biologic and small molecule payloads on the same Fc fragment. This dual delivery capability enables biologic agents to penetrate the cell wall to deliver toxic agents inside a cell, and small molecules can block receptors outside the cell to inhibit or disrupt surface cellular targets that are important for disease progression.

Shown below is a diagram of a therapeutic DFC from the CDTX Web site.



Source: CidaraTherapeutics

Management

Jeffrey Stein, Ph.D., President and Chief Executive Officer since January 2014. Prior to joining Cidara, Dr. Stein was President and CEO of Trius Therapeutics, Inc. from its founding in 2007 until its acquisition by Cubist Pharmaceuticals, Inc. in 2013. Previously, Dr. Stein was a venture partner and Kauffman Fellow at Sofinnova Ventures, co-founder and Chief Scientific Officer at Quorex Pharmaceutical, Inc. and a Principal Scientist with Diversa Corporation and the Agouron Institute. Dr. Stein currently serves as a Director at Paratek Pharmaceuticals and Ideaya Biosciences. Dr. Stein is also the founding Chairman and President of the Antibiotics Working Group. Dr. Stein holds a B.S. in marine biology, an M.S. in biology from California State University – Long Beach and a Ph.D. in marine biology from the University of California,

San Diego. Dr. Stein conducted his postdoctoral research in bacterial genetics as an Alexander Hollaender Distinguished Postdoctoral Fellow at the California Institute of Technology.

Frank Karbe, Chief Financial Officer since February 2025 Mr. Karbe has been the CFO. He is a senior executive with over 25 years of leadership experience in life sciences, healthcare, and technology. He has held key roles including CEO of Better Therapeutics, President and CFO of Myovant Sciences, and EVP and CFO of Exelixis, where he helped secure FDA approvals, raise billions in capital, and build strategic partnerships. He began his career in investment banking at Goldman Sachs, advising life sciences companies on corporate finance and M&A.

Nicole Davarpanah, M.D., J.D., Chief Medical Officer since August 2023. Dr. Davarpanah has more than 10 years of experience in immuno-oncology drug development and early and late-stage clinical trial design, including: Clinical and Translational Lead in Oncology at Genentech/Roche, Senior Medical Director of Genitourinary Immuno-Oncology and Medical Affairs at Genentech/Roche, research fellow focusing on immuno-oncology and GU Cancers at the National Cancer Institute, faculty member at Georgetown University School of Medicine, lecturing on the intersection of medicine, law, and technology. Dr. Davarpanah received her Doctor of Medicine degree from Boston University and her Juris Doctor degree from the University of California, Berkeley.

Les Tari, Ph.D., Chief Scientific Officer since 2014. Prior experience includes various positions at Trius Therapeutics until its acquisition by Cubist Pharmaceuticals, co-founder and Director of Structural Biology at ActiveSight, Inc. and an academic position as an Alberta Heritage Foundation Scholar for Medical Research at the University of Calgary. Dr. Tari holds a B.Sc. in Chemistry and a Ph.D. in Chemistry and Structural Biology from the University of Manitoba.

Shane Ward, Chief Operating Officer since September 2022. Prior to joining Cidara, Mr. Ward was Chief Legal and Strategy Officer for Bellicum Pharmaceuticals and served commercial and development-stage biotechnology companies, including Gilead Sciences, Human Genome Sciences, and Versartis. Mr. Ward holds a J.D. from the Georgetown University Law Center and a B.A. from the University of Virginia.

Jim Beitel, Chief Business Officer since August 2024. Most recently, Mr. Beitel was Senior Vice President of Corporate Development at Fate Therapeutics with responsibility for strategic partnering in oncology and autoimmune diseases. Prior to Fate, he was Vice President of Corporate Development and Operations at Avanir Pharmaceuticals prior to acquisition by Otsuka. Prior to Avanir, Mr. Beitel held various positions at Amgen, La Jolla Pharmaceutical Company, Azur Pharma, and Zacharon Pharmaceuticals. During Mr. Beitel's career, he has sourced and executed partnering activities that generated over $4 billion in upfront payments and collaboration revenues, and contributed to the ability to raise over $1 billion in equity financings. Mr. Beitel holds a M.B.A. from Harvard Business School and a B.S. in Engineering from the University of Kansas.

Risks

In addition to risks normally encountered by development-stage pharmaceutical companies, the following risks relate to products, programs and operations that are relevant to CDTX and are taken from the company's 10Q for the quarterly period ending June 30, 2024.

Potential for Stock Dilution to Stockholders CDTX expects to finance cash needs through a combination of equity, debt or other financing structures, as well as potentially entering into collaborations, strategic alliances or licensing arrangements with third parties or receiving government and/or charitable grants or contracts. Such arrangements would cause stock dilution.

Discovery and Development CDTX depends heavily on the success of CD388, which has completed Phase 2b clinical study. The company also is very early in efforts to develop other product candidates from its Cloudbreak program, none of which may be successful.

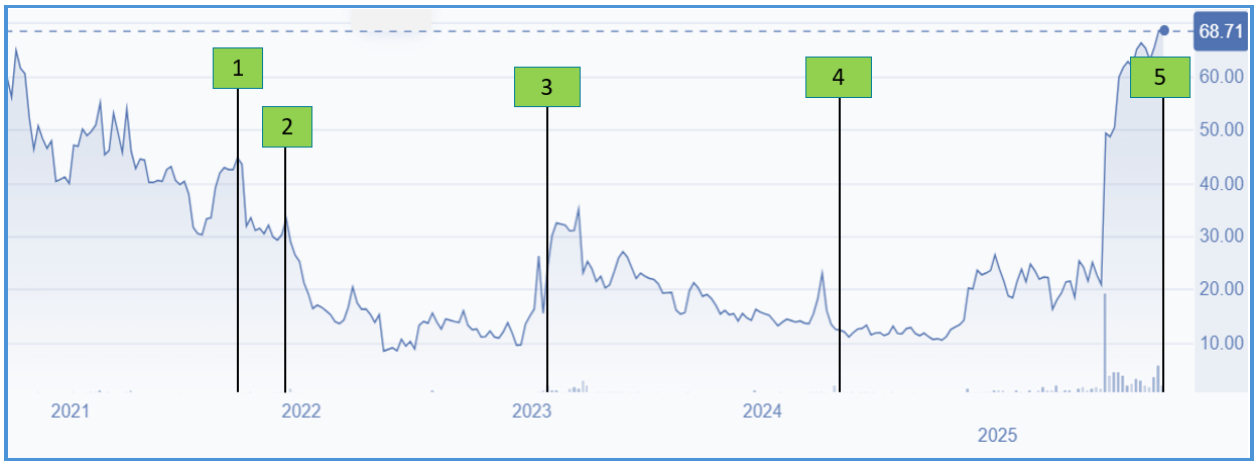
Competition CDTX expects that CD388 will compete against approved and investigational agents for the treatment or prevention of viral influenza infections, including influenza vaccines, neuraminidase inhibitors such as Tamiflu, Relenza and Peramivir, and endonuclease inhibitors such as Xofluza.

Historical and Future EPS Performance

EPS	*2023	*2024	2025
Q1	0.60A	*(2.28)A	(1.66)A
Q2	(3.02)A	*(19.99)A	(1.65)A
Q3	(0.09)A	(2.45)A	(1.75)E
Q4	(0.04)A	(5.38)A	(2.12)E
Year	(5.74)A	(26.82)A	(7.18)E
P/E	NM	NM	NM
EPS Growth	NM	NM	NM
FY Rev. (Mil)	*63.905A	1.3A	0.0E
FY:DEC			
*Reflects Equity Conversions			

Price and Volume

Initiated Coverage of Cidara on 04/23/15



1	Updated Coverage of Cidara on 09/22/2021 at $2.14 with a Strong Buy Rating and a 12-Month Price Target of $6.25.
2	Updated Coverage of Cidara with a Strong Buy on 12/14/2021 at $1.38 and A 12-Month Price Target of $6.25.
3	Updated Coverage of Cidara on 01/24/2023 with a Strong Buy Rating and a 12-Month Price Target of $7.00.
4	Updated Coverage of Cidara on 04/24/2024 with a Strong Buy at $12.29 and an adjusted 12-Month Price Target of $45.00.
5	Updated Coverage of Cidara on 09/22/2025 with a Strong Buy at $68.71 and a 12-Month Price Target of $123.00.

Distribution of Ratings and Disclosure of Banking Relationships: The following table shows WBB's ratings distribution expressed as a percentage of all securities rated as of the end of the most recent calendar quarter, as well as the percentage of subject companies within each rating category for whom WBB has provided investment banking services within the previous 12 months.

	Percentage of Covered Securities	Percentage of Banking Clients
Buy	86.7%	8%
Hold	6.7%	0%
Sell	6.7%	0%

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