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Celsion Corp. Cancer Medications, Insider Buying and Analysis

Celsion Corp. (NASDAQ: CLSN), is an oncology drug development company focused on developing a portfolio of innovative cancer treatments, including directed chemotherapies, DNA-mediated immunotherapy and RNA- based therapies.

During January, 2017 CLSN announced positive interim results for its Phase 1b study, OVATION, assessing IL-12 gene-mediated immunotherapy GEN-1, combined with standard-of-care chemotherapy, in patients with advanced/metastatic ovarian cancer. As per management, these results provide strong clinical evidence for the potential of GEN-1 in ovarian cancer. Celsion plans to complete enrollment & release of final data by Q2 2017.

In the recent past, Celsion reported several Insider transactions. Multiple company employees are engaged in significant insider trading, including Director Martinez Alberto R Jr, who acquired 45,000 shares worth \$9,450 during February 2017. Following this transaction, Alberto Martinez's holding in the company increased by 44.96% to a total of \$14.32K. Also, during October, 2016 Chairman, President and CEO, Tardugno Michael H, purchased 10,000 common shares in the open market. There have been ~11 insider trades in total for the company in past 12 months. Notwithstanding the surge in insider trading in the recent past, institutional investors still hold around \$2 million or 17.7% in CLSN stock.

For Q3, CLSN reported EPS of \$-0.23, lower than the consensus estimate of -0.20 by \$0.03. The company had revenue of \$0 million for the quarter. The management expects to declare fiscal fourth quarter financial results on March 16, 2017. The company is expected to report earnings of -0.18 per share for the current quarter, with the consensus revenue range between \$0.1M and \$0.12M.

Also, on February 15, 2017, Celsion announced pricing of a public offering with expected total gross proceeds of approximately \$5.0 million. The offering is expected to close on or about February 21, 2017 & net proceeds are likely to fund clinical trials, working capital and general corporate purposes. This has led to significant decline in company's share price in the recent past.

Description & about the Company:

Celsion was founded in 1982 and is a Delaware corporation. It is a fully-integrated oncology company focused on developing a portfolio of innovative cancer treatments, including directed chemotherapies, immunotherapies and RNA- or DNA-based therapies. Celsion has research, license or commercialization agreements with leading institutions such as the National Institutes of Health, Duke University Medical Center, University of Hong Kong, and North Shore Long Island Jewish Health System.

It does not currently own or operate manufacturing facilities for the production of preclinical, clinical or commercial quantities of any of its product candidates. CLSN currently contracts with third party

contract manufacturing organizations (“CMOs”) for preclinical and clinical trial supplies, and they expect to continue to do so to meet the preclinical and any clinical requirements of its product candidates.

Celsion is working to develop and commercialize more efficient, effective and targeted oncology therapies based on its technologies, with the goal of developing novel therapeutics that maximize efficacy while minimizing side-effects common to cancer treatments.

It recently announced data from the fourth cohort of patients in its Phase Ib dose escalating clinical trial (the OVATION Study) combining GEN-1, the Company's IL-12 gene-mediated immunotherapy, with the standard of care for the treatment of newly-diagnosed patients with Stage III and IV ovarian cancer who will undergo neoadjuvant chemotherapy followed by interval debulking surgery. In the first twelve patients dosed in the OVATION Study, GEN-1 plus standard chemotherapy produced impressive results, with no dose limiting toxicities and highly promising efficacy signals.

As per management, these early results have impressed Celsion investigators which accounts for the rapid patient accrual in the study. The consistency and robust nature of the data across all four cohorts and the encouraging clinical responses underscore the potential of GEN-1 to serve as an effective, safe IL-12 immunotherapy in ovarian cancer.

The company anticipates completion of enrollment in the fourth and final patient cohort in the coming quarter. In parallel, management is collecting full translational data from the study, which they expect to report in the first half of 2017.

Pipeline of Targeted Therapeutics

	INDICATION	PRODUCT CANDIDATE	PRE-CLINICAL	PHASE 1-2	PHASE 3
Clinical	Primary Liver	ThermoDox/OPTIMA Study			Phase III enrolling
	RCW Breast	ThermoDox /Euro-DIGNITY		Phase II initiating	
	Ovarian	GEN-1/OVATION Study		Phase I enrolling	
Pre-Clinical	MI Bladder Cancer	ThermoDox	Efficacy/Safety/Toxicology Complete		
	Glioblastoma	GEN-1	Efficacy/Safety/Toxicology		
	Lung	TheraSilence	Efficacy/Toxicology		

Source: Investor presentation

In a recent press release, Celsion also announced that it will present two posters at the American Society of Clinical Oncology (ASCO) – Society for Immunotherapy of Cancer (SITC) Clinical Immuno-Oncology

Symposium being held from February 23 – 25, 2017 in Orlando, FL. The symposium will focus on the latest clinical and translational research in immuno-oncology and the implications for clinical care. The first poster will report clinical results from the Phase Ib dose escalating clinical trial (the OVATION Study) combining GEN-1. The second poster will report translational data from the OVATION Study and previous GEN-1 clinical trials. The posters will be presented by Khursheed Anwer, Ph.D., CLSN's executive vice president and chief science officer.

Key Stock Influences:

Some key influences that might govern future stock price performance include:

- (1) Timely completion of enrollment in the fourth and final patient cohort in the coming quarter.
- (2) CLSN is still a pre-commercial stage biopharmaceutical company and has not yet generated meaningful revenue and will likely operate at a loss as it grows its market position and seeks ways to monetize it. Therefore, any time or cost overrun in its ongoing R&D activities and the impact on its business & financial profile will remain a key business sensitivity factor.
- (3) Celsion is burning through cash as it continues to spend on research development, which means it will need to access outside funding to continue operating. This is likely to lead to significant dilution. In fact, the company's shares declined significantly in response to the recent announcement of its public offering of ~21.7M shares of common stock at \$0.23 per share.

Earnings Review:

For the quarter ended September 30, 2016, Celsion reported a net loss of \$6.4 million, or \$(0.23) per share, compared to a net loss of \$4.3 million, or \$(0.19) per share, in the same period of 2015. Operating expenses were \$5.7 million in the third quarter of 2016 compared to \$4.4 million in the same period of 2015. For the nine month period ended September 30, 2016, the Company reported a net loss of \$16.7 million, or \$(0.66) per share, compared to \$16.9 million, or \$(0.79) per share, in the same nine month period of 2015.

Cash Flow & Balance Sheet:

The Company ended the third quarter of 2016 with \$8.7 million of total cash, investments and accrued interest on these investments, which included the proceeds of a \$6 million registered direct offering completed during the second quarter. CLSN has an estimated cash usage per month of ~\$1.5 million.

Its Current ratio for most recent quarter was 0.90. Total debt to equity ratio of the company for the most recent quarter is 0.34 while Long term debt to equity ratio for same time period is 0.00.

Notwithstanding the surge in insider trading in the recent past, institutional investors still hold around \$2 million or 17.7% in Celsion stock. Blackrock Institutional Trust Company, N.A. owns \$381 thousand in Celsion Corporation, which represents roughly 3.4% of the company's market cap and approximately 19.05% of the institutional ownership. Second largest owner, Sabby Management, Llc, owns 894,406 shares of the stock are valued at \$347 thousand. The third largest holder is Renaissance Technologies

Llc, which currently holds \$266 thousand worth of this stock and that ownership represents nearly 2.37% of its market capitalization.

Stock Performance



On Friday, February 17th, 2017, CLSN shares surged by 9.51% to \$0.25 on an average volume of 2.76M shares exchanging hands. Market capitalization is \$ 8.54M. The current RSI is 37.7.

In the past 52 weeks, shares of CLSN have traded as low as \$0.19 and as high as \$1.78.

At \$0.25, shares of CLSN are trading below their 50-day moving average (MA) at \$0.40 and 20-day MA at \$0.36.

The present support and resistance levels for the stock are at \$0.23 & \$0.30 respectively.

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