United States
Healthcare

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Edward Woo, CFA
(561) 327-9435
ewoo@ascendiant.com

NRx Pharmaceuticals, Inc.

Q1 about inline. Phase 3 trial positive data. Major new opportunities in Chronic Pain, UTI, and IV ketamine. Lowering P/T to $43.

COMPANY UPDATE

Rating: BUY

Ticker: NRXP

Price: $3.58 (Intraday)

Target: $43 (from $50)

Q1 inline: NRx recently (on May 14) reported its Q1 2024 (ending March) results. Net loss was $6.5 million or EPS of $(0.74) compared with our estimates of $(0.55) and consensus of $(0.50). There was no company guidance. NRx is a clinical stage drug development company so it generates no revenue.

Operating expenses: Operating expenses were $6.0 million, up from Q4's $4.4 million on higher G&A costs.

No guidance: Management did not provide forward guidance.

Adjusting estimate: We are adjusting our 2024 EPS estimate to $(2.42) from $(2.18).

Focused on Bipolar Disorder: Its main drug is NRX-101 (D-cylcoserine/Lurasidone) for the treatment of bipolar depression in patients with suicidality (the risk of suicide). NRX-101 aims to be the first oral therapeutic for the treatment of Bipolar Depression in patients with Acute Suicidal Ideation and Behavior ("ASIB") and Sub-Acute Suicidal Ideation and Behavior ("SSIB").

NRX-101: NRX-101 is a dual-targeted therapy regimen consisting of an initial treatment with NRX-100 (intravenous ketamine) followed by 6-week treatment with NRX-101 (combined DCS and lurasidone). Ketamine is a generic drug and has been widely used for a long time as an antidepressant, although its effect does not last long (usually about a week). NRX-101 is designed to extend ketamine's proven anti-suicidal and antidepressant benefits without its drawbacks.

Large market potential: There is no medicine approved to treat patients with bipolar depression suffering suicidal ideation. According to the NIH, an estimated 2.8% of the U.S. adult population had bipolar disorder in the past 12 months, and the lifetime prevalence is 4.4% of adults in the U.S. Lifetime suicide behavior occurs in 25% to 56% of people with bipolar depression.

Positive clinical trials data: In May, the company announced final positive clinical trials data in its Phase 2b/3 Clinical Trial of NRX-101 vs. Lurasidone for Treatment of Suicidal Bipolar Depression. The company believes that the findings when combined with the prior STABIL-B trial, demonstrate a basis for seeking accelerated drug approval of NRX-101 based on improved safety related to akathisia and suicidality in the setting of comparable antidepressant efficacy. This includes reductions in symptoms of akathisia – a side effect of antidepressants that is closely linked to suicide and considered a medical emergency.

Major partnership deal: In June 2023, the company announced a major partnership with Alvogen Pharmaceuticals and Lotus Pharmaceuticals for global development and commercialization of NRX-101 in suicidal bipolar depression with the potential for up to $330 million in milestones and double-digit royalties.

HOPE Therapeutics spinoff: The company is developing HTX-100 (intravenous ketamine) as a labeled drug to treat acute depression and suicidality. The company plans to file a NDA for HTX-100 by July, with potential for revenue in 2024. The company plans to partially spin off HOPE Therapeutics to shareholders.

Chronic Pain data readout soon: NRx plans to investigate NRX-101 in Chronic Pain and UTI as additional indications. The company has filed an Investigational New Drug (IND) Application with the FDA for these new indications and has received approvals. Data readout for its Chronic Pain clinical trial is expected soon (current Q2).

Balance sheet: As of Q1, the company has $1 million in cash and $7 million in debt. In Q1 and the current Q2, the company has received an advance from Alvogen of $5 million and raised $4.5 million selling stock. We believe NRx has enough cash into late-2024 or longer due to its Alvogen deal.

Reverse stock split: In April 2024, the company effected a 1:10 reverse stock split.

Current valuation attractive: We are maintaining our BUY rating, but lowering our 12-month price target to $43 from $50 based on a NPV analysis. This represents significant upside from the current share price and we believe this valuation appropriately balances out the high risks with large upside opportunities.

Company Description

NRx Pharmaceuticals, based in Wilmington, DE, is a clinical stage biopharmaceutical company developing drugs to treat mental health disorders.

Stock Data

Exchange:	NasdaqGM
52-week Range:	1.90 – 7.33
Shares Outstanding (million):	11
Market cap ($million):	$39
EV ($million):	$45
Debt ($million):	$7
Cash ($million):	$1
Avg. Daily Trading Vol. ($million):	$2
Float (million shares):	6
Short Interest (million shares):	1
Dividend, annual (yield):	$0 (NA%)

Revenues (US$ million)

	2024E (Cur.)	2024E (Old)	2025E (Cur.)	2025E (Old)
Q1 Mar	0A	0E	0E	
Q2 Jun	0E		0E	
Q3 Sep	0E		0E	
Q4 Dec	0E		0E	
Total	**0E**		**0E**	
EV/Revs	N/A		N/A	

Earnings per Share (pro forma)

	2024E (Cur.)	2024E (Old)	2025E (Cur.)	2025E (Old)
Q1 Mar	(0.74)A	(0.55)E	(0.47)E	(0.53)E
Q2 Jun	(0.58)E	(0.55)E	(0.46)E	(0.53)E
Q3 Sep	(0.57)E	(0.54)E	(0.46)E	(0.52)E
Q4 Dec	(0.56)E	(0.54)E	(0.46)E	(0.52)E
Total	**(2.42)E**	**(2.18)E**	**(1.85)E**	**(2.10)E**
P/E	N/A		N/A	

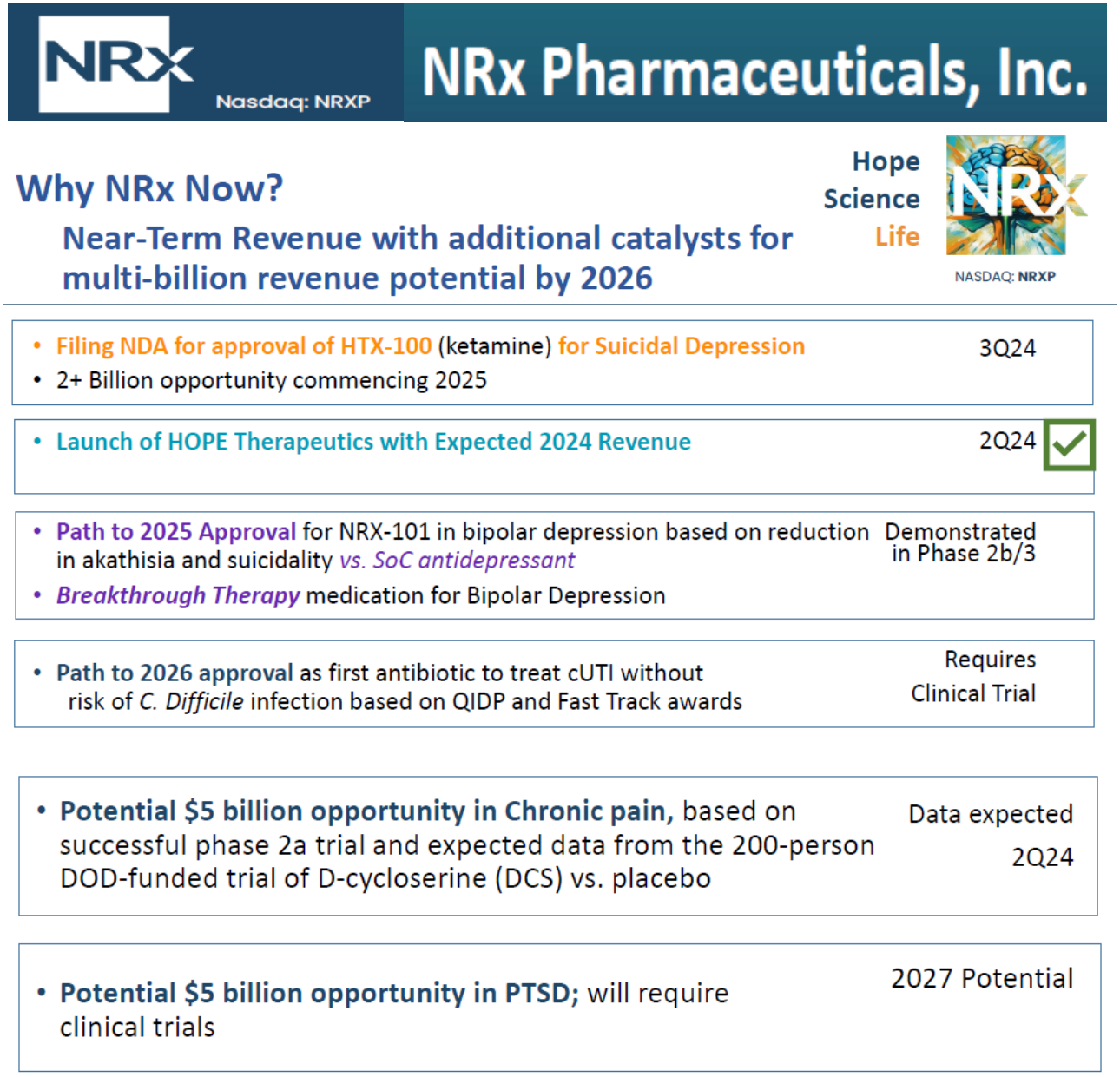
**Reflects a 1:10 reverse stock split in April 2024.*

Important Disclosures

Ascendiant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

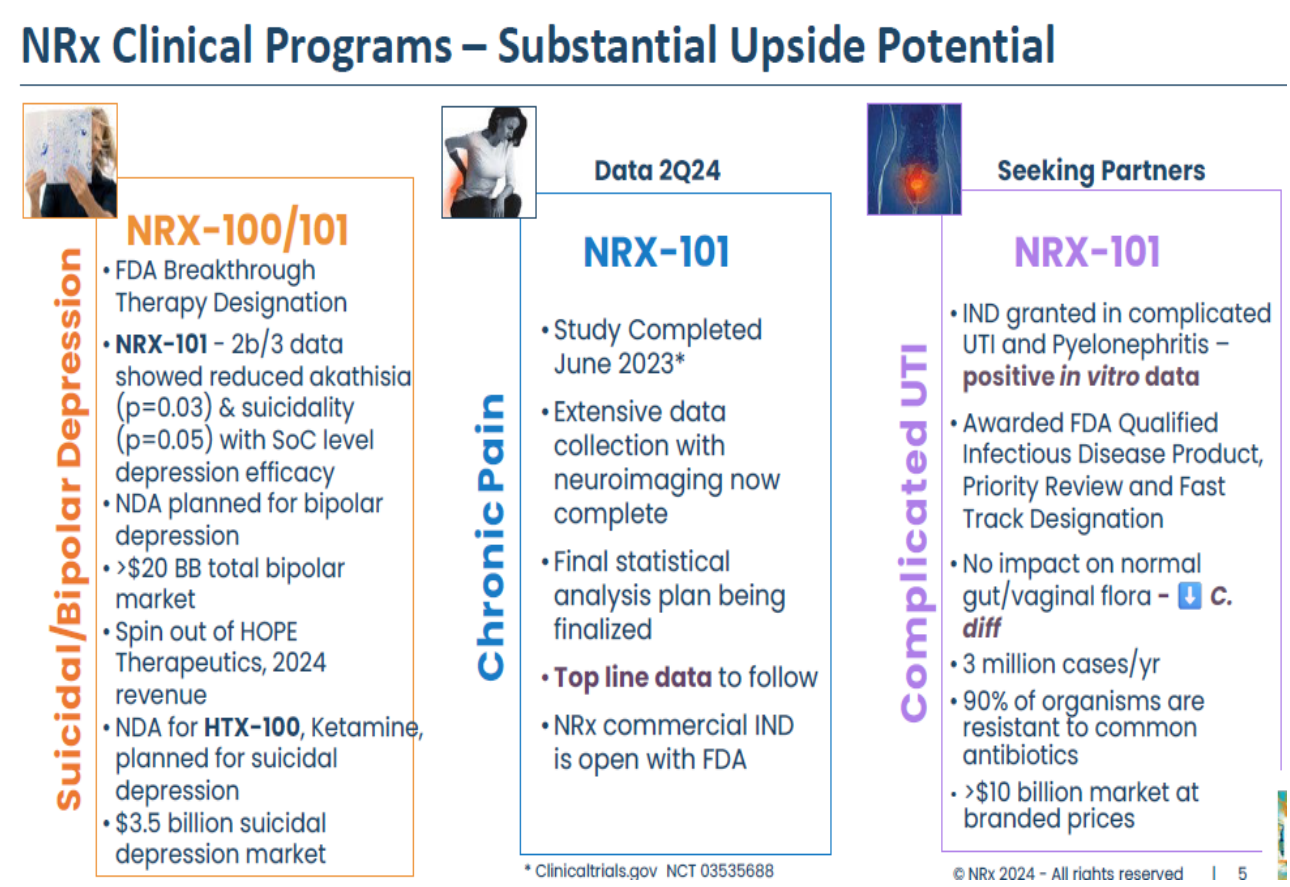
For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 20.

Exhibit 1: NRx Pharmaceuticals, Inc. Corporate Overview



Source: Company reports.

Exhibit 2: NRx's Investment Summary

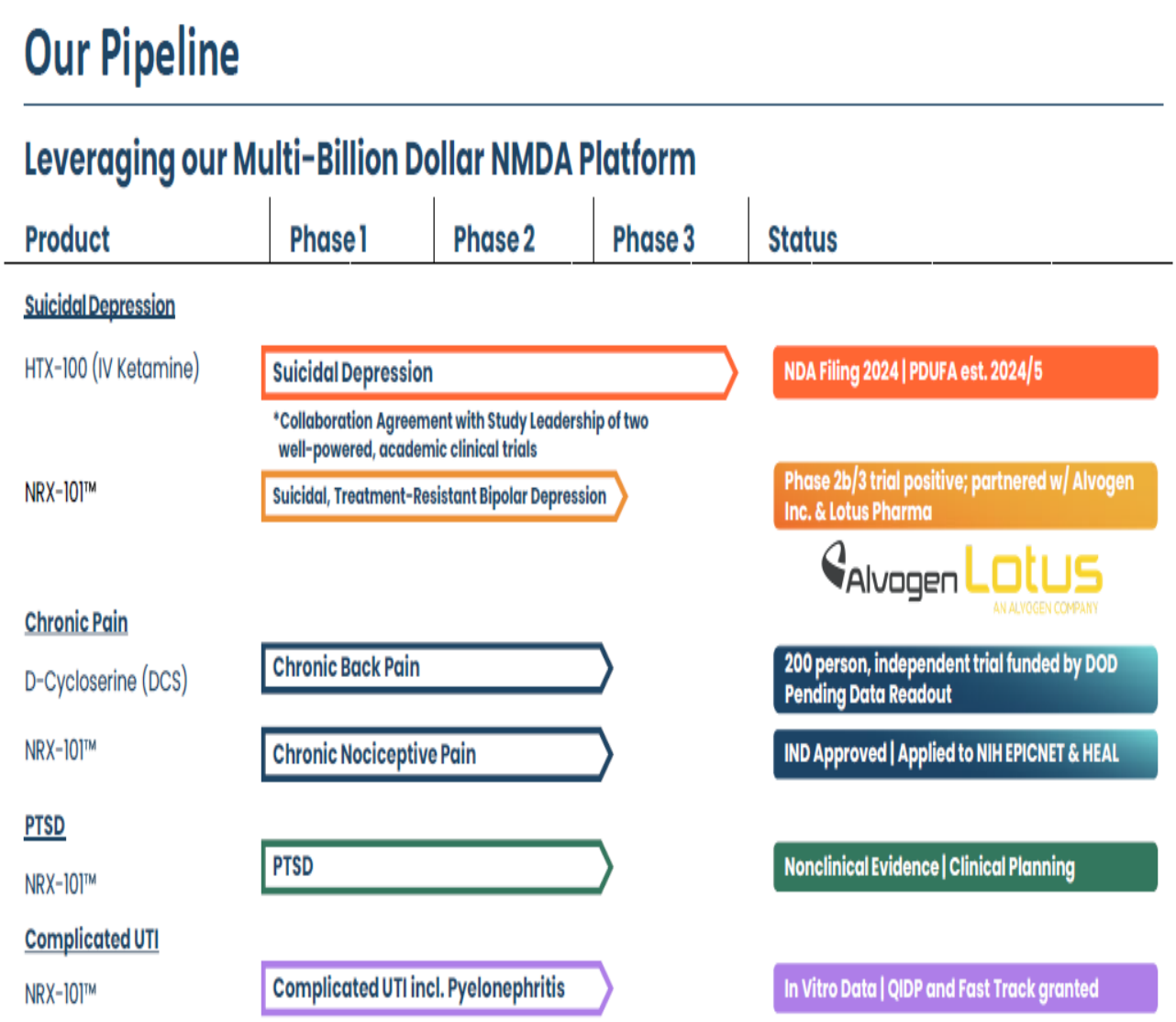


Source: Company reports.

Exhibit 3: NRX-101

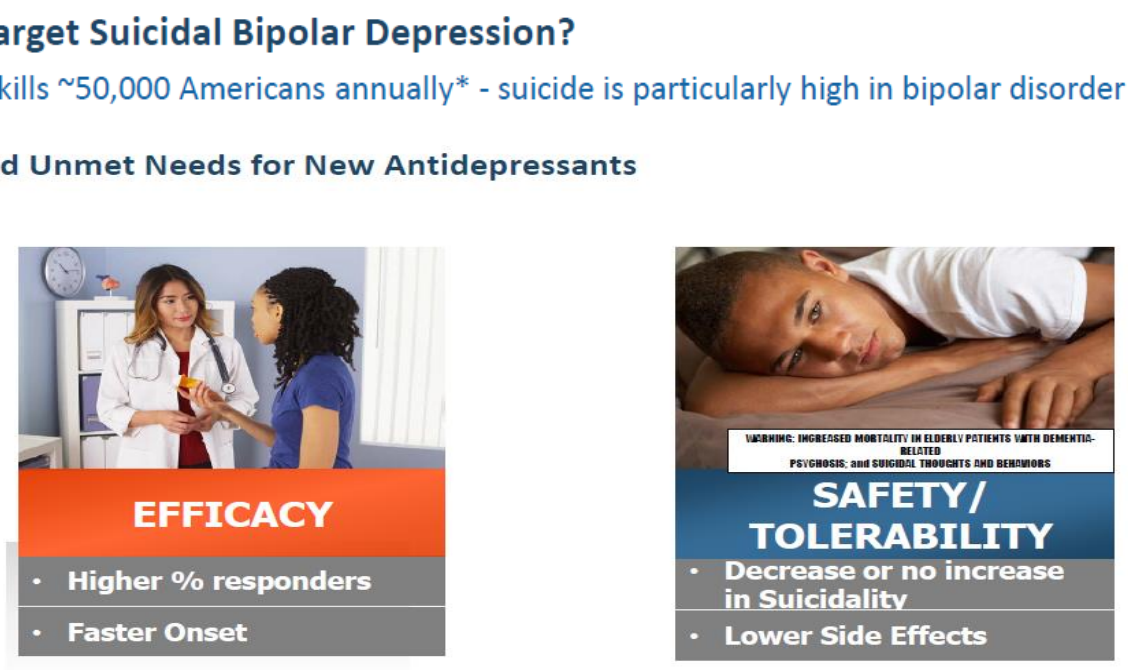
Source: Company reports.

Exhibit 4: NRx's Product Pipeline (as of June 2024)



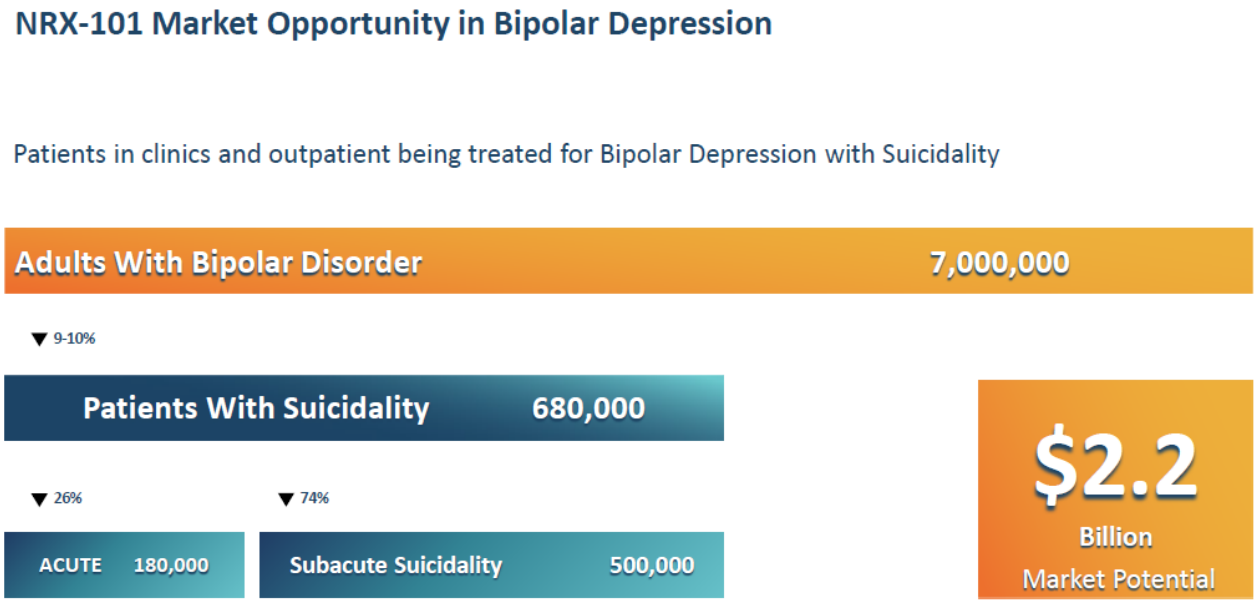
Source: Company reports.

Exhibit 5: Targeting Suicidal Bipolar Depression Risks



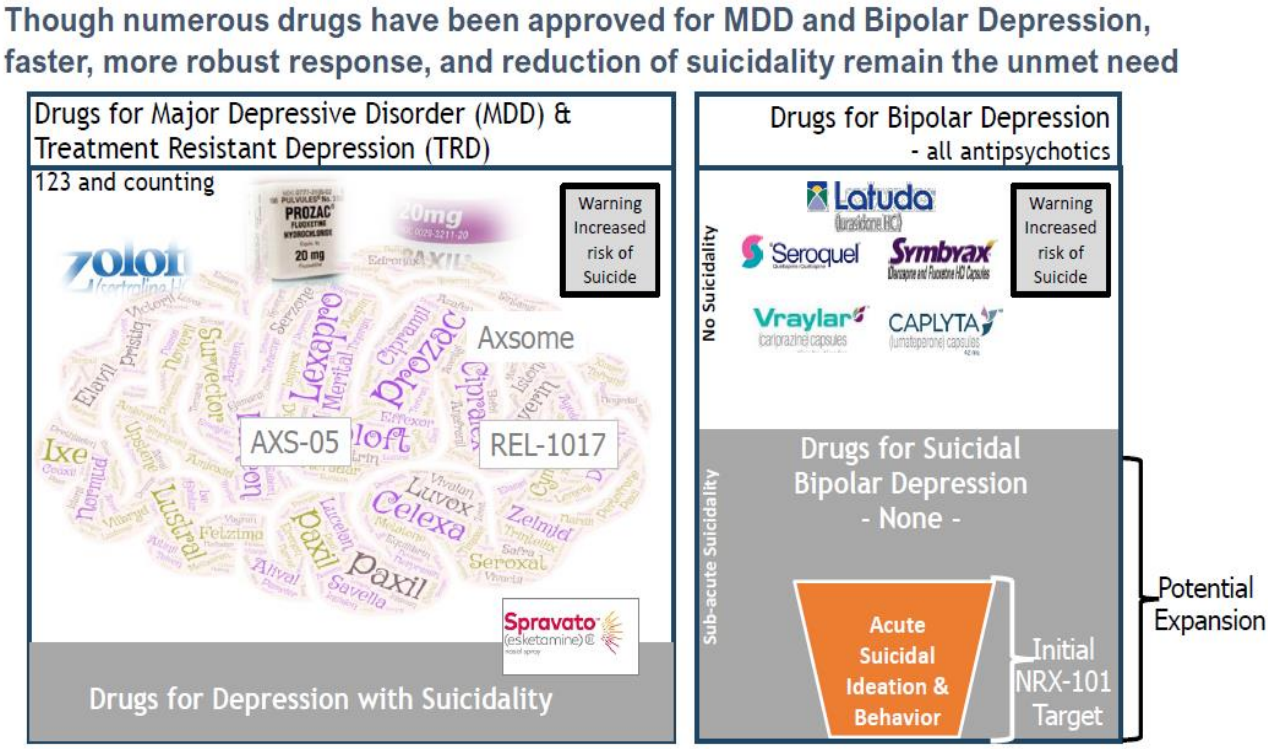
Source: Company reports.

Exhibit 6: Bipolar Depression Suicide Market Opportunities



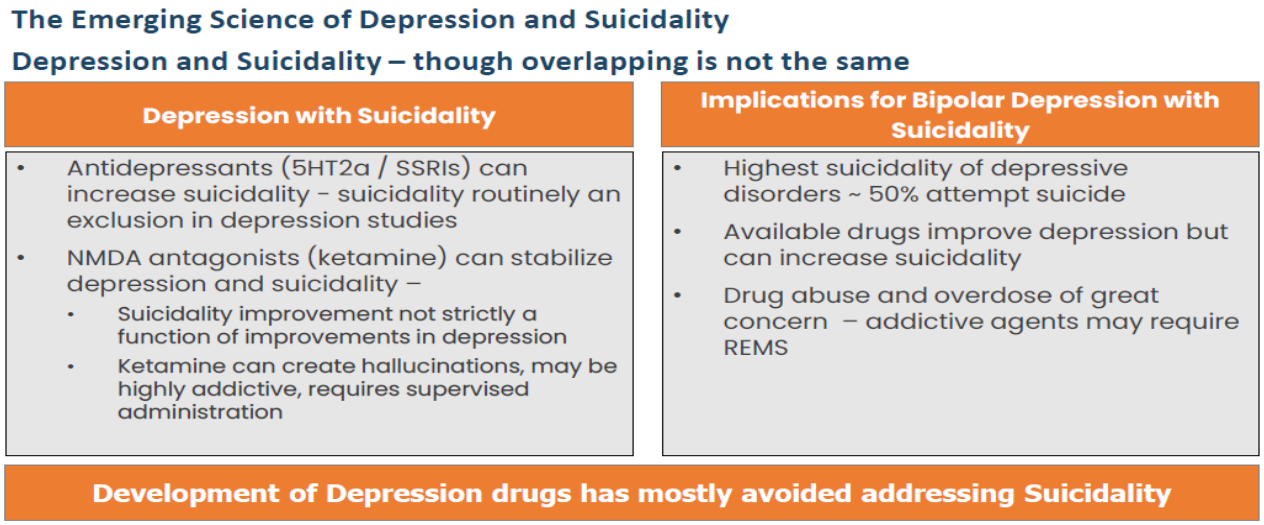
Source: Company reports.

Exhibit 7: Unmet Need for Bipolar Depression Suicidality



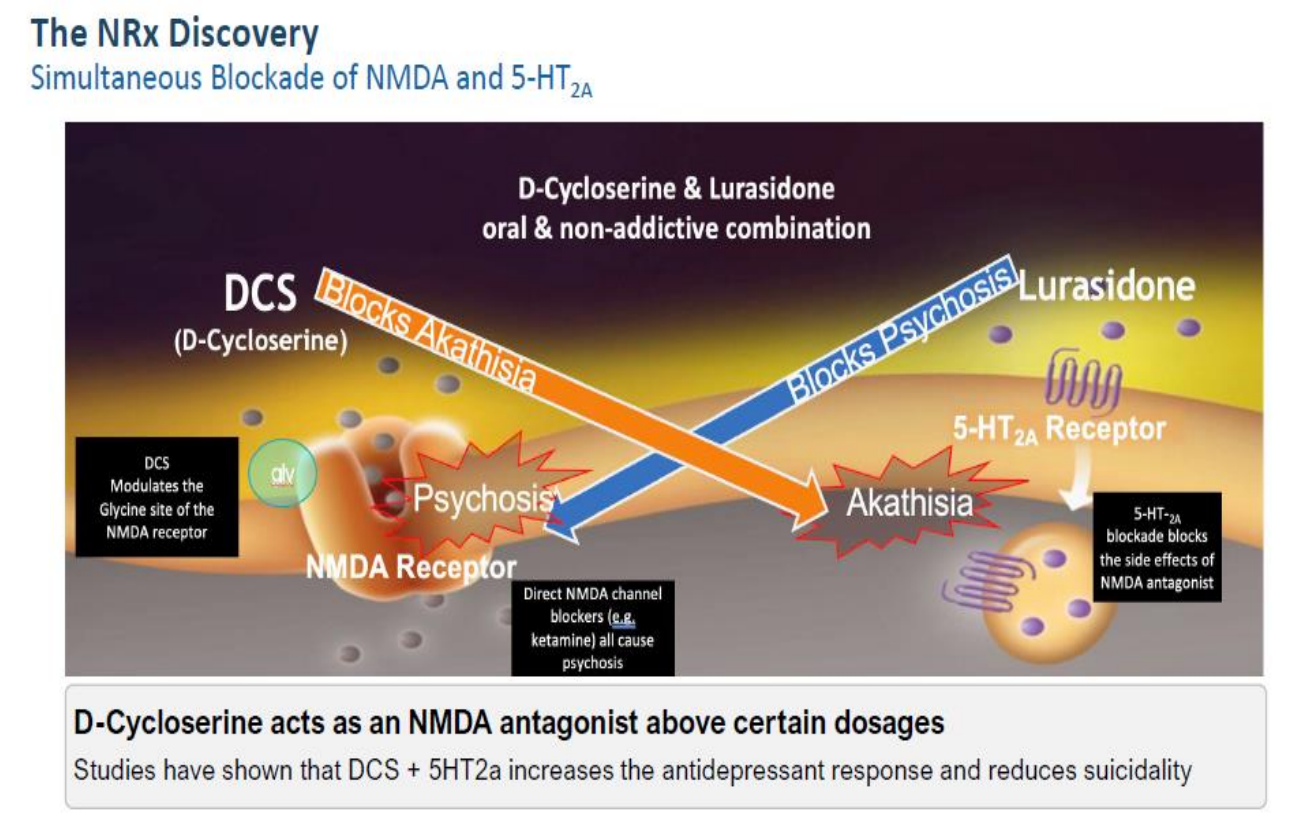
Source: Company reports.

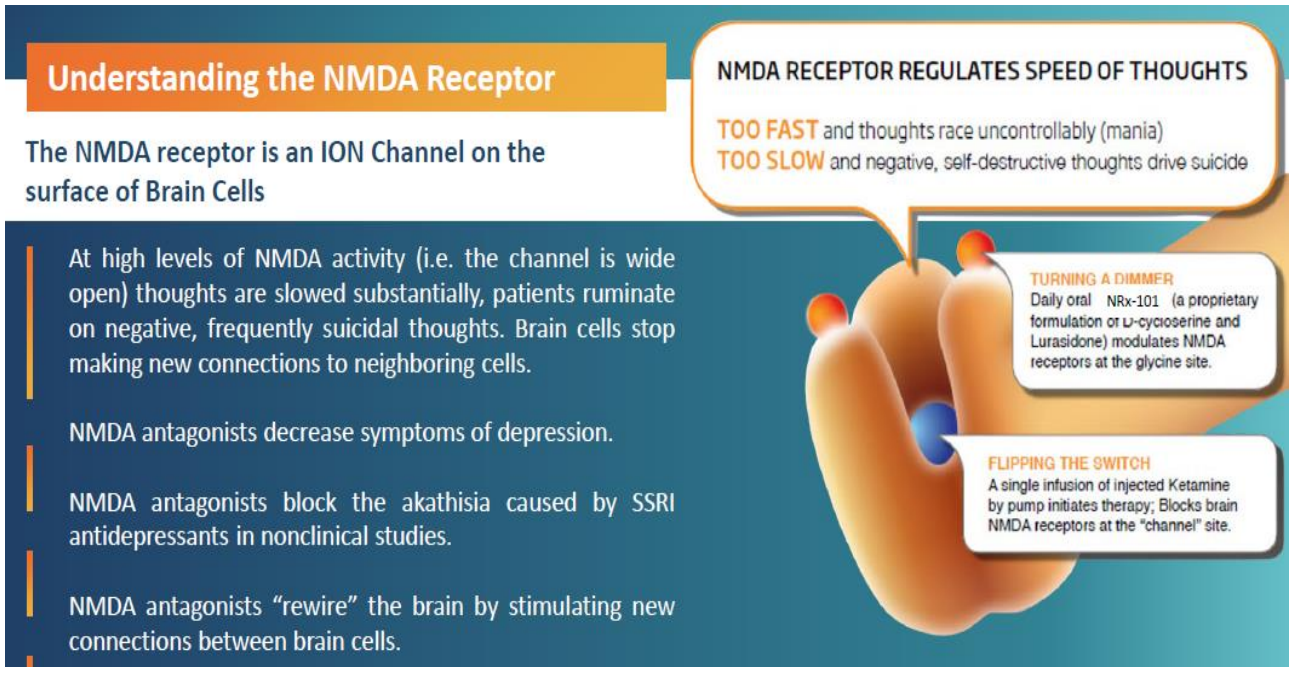
Exhibit 8: Science of Depression and Suicidality



Source: Company reports.

Exhibit 9: NRx Discovery





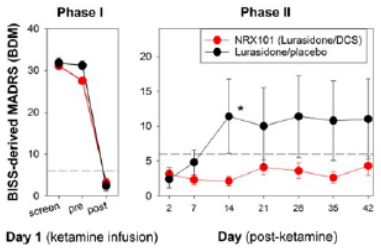
Source: Company reports.

Exhibit 10: Phase 2 Study of D-Cycloserine in Depression / Suicidality Conclusions

Phase 2 Success: STABIL-B trial Showed Superiority of NRX-101 vs Lurasidone in Reducing Depression (primary endpoint) *after Ketamine Pre-treatment*

Patients received one infusion of IV ketamine vs. placebo. Responders were randomized to NRX-101 vs lurasidone, a Standard of Care

- Mean 7.7 point benefit on MADRS (Primary Endpoint, P=.03) through day 42 vs. lurasidone.
- 40% relapse in control group, no relapse in NRX-101 group (P=.07)
- 1.5 point advantage vs SoC on Columbia Suicide Severity Rating Scale (C-SSRS) (P=.02)
- Decreased akathisia in the NRX-101 group on the BARS akathisia scale (P=.14)



	Efficacy Measures: Repeated Measures Mixed Model LS Mean Differences							
	Through Day 28				Through Day 42			
	LOCF No		LOCF yes		LOCF No		LOCF yes	
MADRS Depression	LS Mean Δ	p-value	LS Mean Δ	p-value	LS Mean Δ	p-value	LS Mean Δ	p-value
Score	-4.0	0.09	-7.7	0.03	-3.7	**0.04**	-7.7	0.04
Suicidality Rating	LS Mean Δ	p-value	LS Mean Δ	p-value	LS Mean Δ	p-value	LS Mean Δ	p-value
Scale C-SSRS	-0.5	NS	-1.3	0.04	-0.6	NS	-1.5	0.02
Clinical Global	LS Mean Δ	p-value	LS Mean Δ	p-value	LS Mean Δ	p-value	LS Mean Δ	p-value
Impression CGI-SS	-0.4	NS	-2.9	0.05	-0.6	NS	-2.9	0.02

Source: Company reports.

Exhibit 11: NRX-101 Phase 2b/3 Clinical Trial Program (SSIB & ASIB) Conclusions

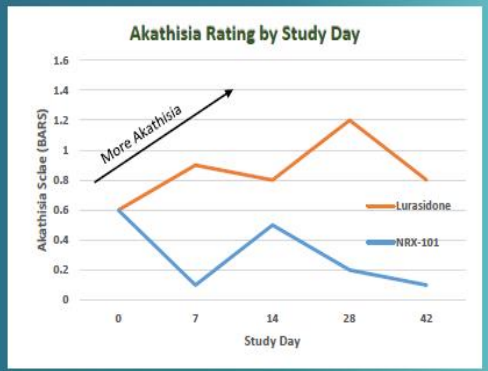
NRX-101 demonstrates reduced Akathisia and Time to Suicidality Remission in Suicidal Bipolar Depression: *No Ketamine Pre-treatment*

Phase 2b/3, randomized, double blind trial on NRX-101 vs Standard of Care (SoC) (lurasidone) in Suicidal Treatment Resistant Bipolar Depression (S-TRBD), n=74

- *Similar (50% reduction) in depression vs. SoC*
- *Significant reduction in akathisia vs. SoC, p=0.03*
- *Time to Sustained Remission from Suicidality (C-SSRS ≤3) vs. SoC, p=0.05*

➢ *We believe an antidepressant with Standard of Care level efficacy and a significant reduction in akathisia / suicidality vs SoC will become the new standard in bipolar depression*

➢ *We believe NRX-101 can be that medication*



Source: Company reports.

Exhibit 12: NRX-101 Advantages and Objectives

NRX-101 offers a differentiated profile for Suicidal Bipolar Depression with an FDA agreed upon path to NDA

Phase 3 with FDA Breakthrough Therapy designation

NMDA – A Validated Mechanism
- Depression & Suicidality
- Esketamine, NRX-101 Phase 2, etc.

FDA Agreed Upon Regulatory Path
- Special Protocol Agreement, Breakthrough Therapy designation: Treatment of Severe Bipolar Depression in Patients with ASIB after initial stabilization with ketamine or other effective therapy

Addresses High Unmet Need
- Treats depression and suicidality (bipolar space)
- Oral, not addictive (not scheduled), avoids hallucinations
- Outpatient

Efficient Clinical Development Path to NDA
- Seeking to replicate P2 study
- NRX-100 (144 pts.) NRX-101 (~80 pts.) pivotal study (severely depressed and acutely suicidal) to start 2H22
- Path to NDA filing in 2023

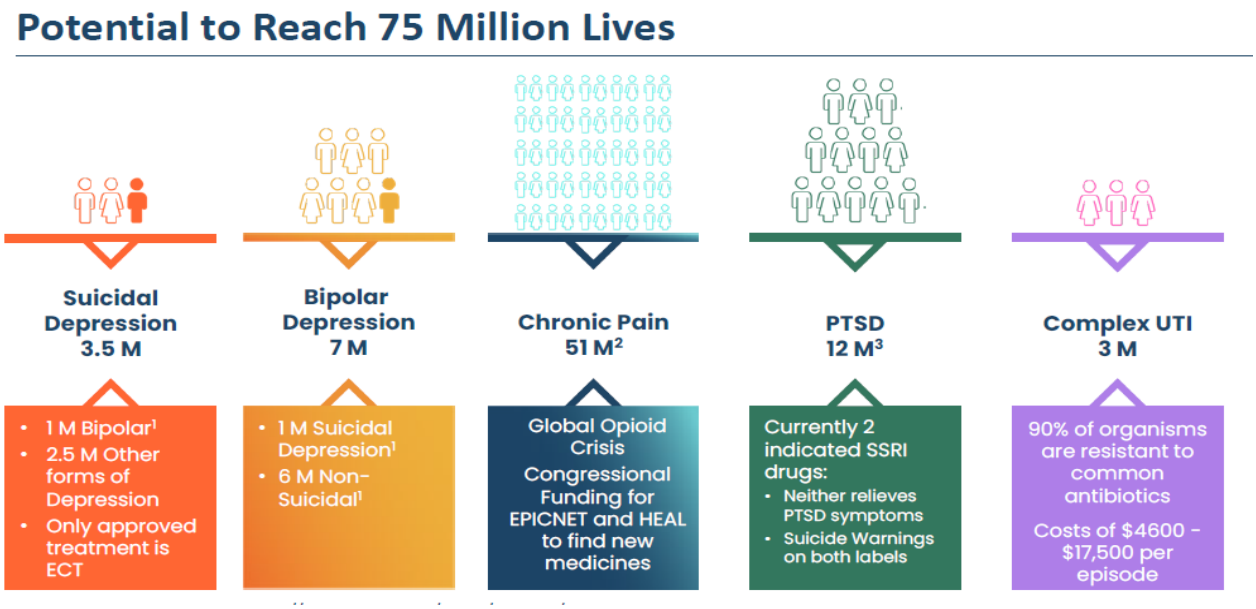
Path to NDA

Exploring expansion in earlier population
- NRX-101 Phase 2 trial (Bipolar Depression in sub-acute suicidality) initiated 2Q 2022

Composition of Matter Patent
- NRx has a composition of matter patent for NRX-101 and an array of NMDA+5HT2A compounds,
- Five patent families, 60+ applications, 30+ issued patents

Source: Company reports.

Exhibit 13: NRX-101 Market Opportunities



Source: Company reports.

Exhibit 14: Commercial Partnership with Alvogen

Source: Company reports.

Exhibit 15: HOPE Therapeutics

Why Spin Out a Separate Company?

1. NRx is a Biotechnology company focused on Research and Development **HOPE** is a Specialty Pharma company focused on ketamine and digital therapeutics
2. Planned NDA filing for ketamine (HTX-100) in mid-2024 when stability/sterility data are completed and 3 commercial lots have completed manufacture
3. **Immediate sales** of ketamine under 503b pharmacy license by mid-2024
4. **HOPE** Investor model is based on capital appreciation and royalty payment
5. **Potential for up to $300 million+ in sales starting 2025**

No FDA-Approved Medication today for Acute Suicidality

Only FDA-approved therapy is Electro-Convulsive Therapy (ECT)

IV Ketamine is used off-label But not FDA-approved Not reimbursed by Payers Inconsistent in quality

Five Elements of HOPE Therapeutics Value Proposition

1. Sales of HTX-100 (IV ketamine): J&J Spravato currently captures $900/dose
2. Provide REMS (Risk Evaluation and Management Strategy) support to prescribers
3. Insurance Coverage support for providers and patients (currently self-pay only)
4. Digital Therapeutic solutions to extend the HTX-100 clinical effect and exclusivity
5. Ongoing patient-engagement tools

By the time HTX-100 loses market exclusivity, elements 2-5 will maintain a sustained marketplace advantage

Source: Company reports.

Exhibit 16: Q1 2024 and Recent Business Highlights (as of May 14, 2024)

NRx Pharmaceuticals (Nasdaq:NRXP) Reports First Quarter 2024 Financial Results and Provides Business Update

2024 Catalysts: Positive Clinical Data, Two Planned NDAs, Company Launch of Hope Therapeutics; FDA QIDP award in cUTI and New Schizophrenia Opportunity

- Executed Term Sheet from an institutional investor for an initial $7.5 million note, subject to common closing requirements, primarily to replace current debt, clearing the path to a Hope Therapeutics share distribution, with provision for funding up to $30 million to fund pipeline opportunities
- Positive data from a Phase 2b/3 trial of NRX-101 in Treatment Resistant Bipolar Depression (TRBD); trial demonstrated depression efficacy comparable to standard of care and significant reduction of akathisia (P=0.025). Akathisia is a potentially lethal side effect of all serotonin-targeted antidepressants and is associated with suicide. The study additionally demonstrated a 30% advantage in sustained remission from suicidality that was not statistically-significant at this sample size
- Above findings of reduced suicidality mirror the results of the Company's prior STABIL-B trial in acutely suicidal patients and also mirror the results of an independent published trial
- Company plans to file a New Drug Application (NDA) for Accelerated Approval under Breakthrough Therapy and Priority Review of NRX-101 in treatment of bipolar depression in people at risk of akathisia, based on the Phase 2b/3 and STABIL-B data
- Company has developed patentable pH neutral formulation for ketamine that will be suitable for both intravenous and subcutaneous administration. Ketamine efficacy data are in hand from 4 clinical trials. Three manufacturing lots are now initiated (required for NDA) and Company plans to initiate the NDA by July
- HOPE Therapeutics (which focuses on care delivery, not drug development) has partnered with representatives of ketamine clinic providers nationwide to construct a care platform that will include ketamine, operational support, and digital therapeutic extensions. In advance of FDA approval, HOPE is actively in the sales process to supply ketamine under 503b pharmacy licensure to meet the national ketamine shortage declared by FDA. HOPE is planned to be spun out as a separate company to be owned by NRx, current NRx shareholders, and new investors; Term Sheets received from prospective anchor investors for $60 million of new investment, once publicly listed

- Data expected shortly in 200-person DOD-funded trial of D-cycloserine (DCS), the key component of NRX-101, to treat chronic pain, conducted by Northwestern University. Statistical analysis plan and data unlock have been approved by Northwestern IRB
- NRX-101 in the treatment of Complicated Urinary Tract Infection (cUTI) granted Qualified Infectious Disease Product (QIDP), Fast Track, and Priority Review designations. Company has now demonstrated that NRX-101 does not damage the microbiome of the gut, in contrast to all other advanced antibiotics and is less likely to cause *C. Difficile* infection (a potentially lethal side effect of antibiotic treatment). NRx is reviewing partnership options
- Executed Memorandum of Understanding with Fondation FundaMental for rights to develop potential disease modifying drug for Schizophrenia. If successful, this would represent the first drug to reverse the underlying disease mechanism of schizophrenia, rather than simply treating symptoms.
- Management to host a conference call, May 14, 2024, at 4:30 PM ET

Source: Company reports.

Exhibit 17: Positive Phase 2b/3 Clinical Trial (May 6, 2024)

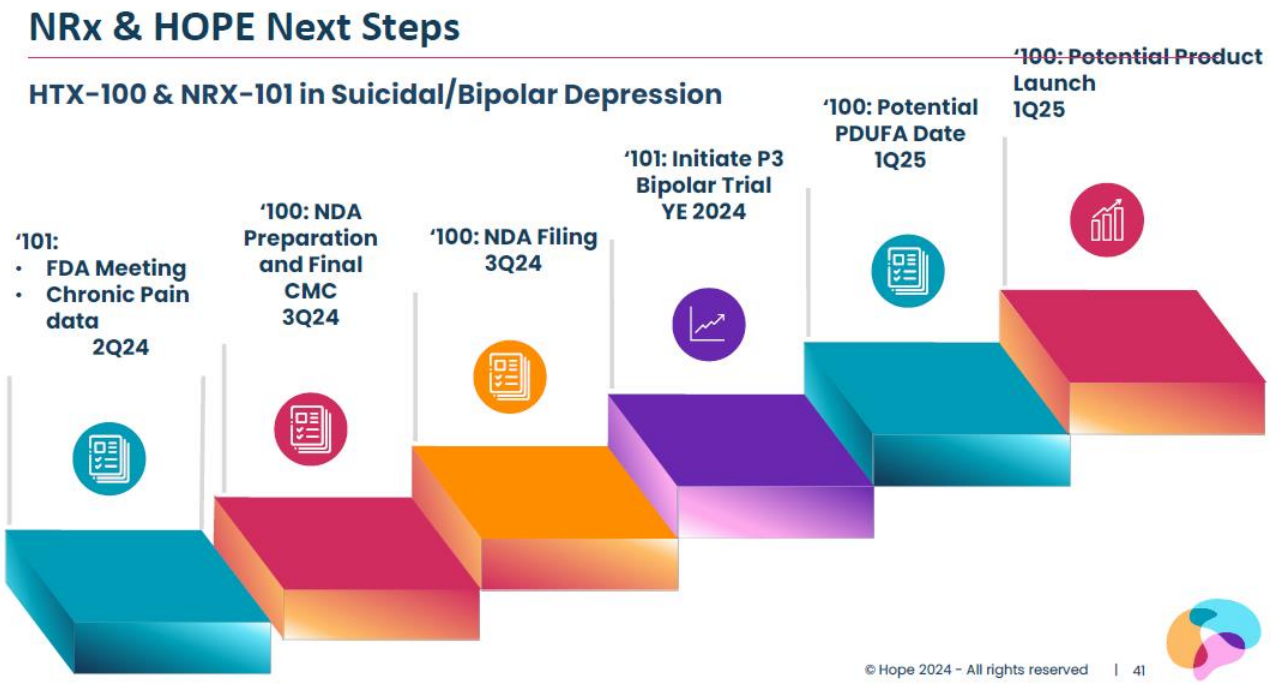
Safety Combined with Similar Efficacy in the Trial of NRX-101 Compared to Lurasidone in Suicidal Bipolar Depression

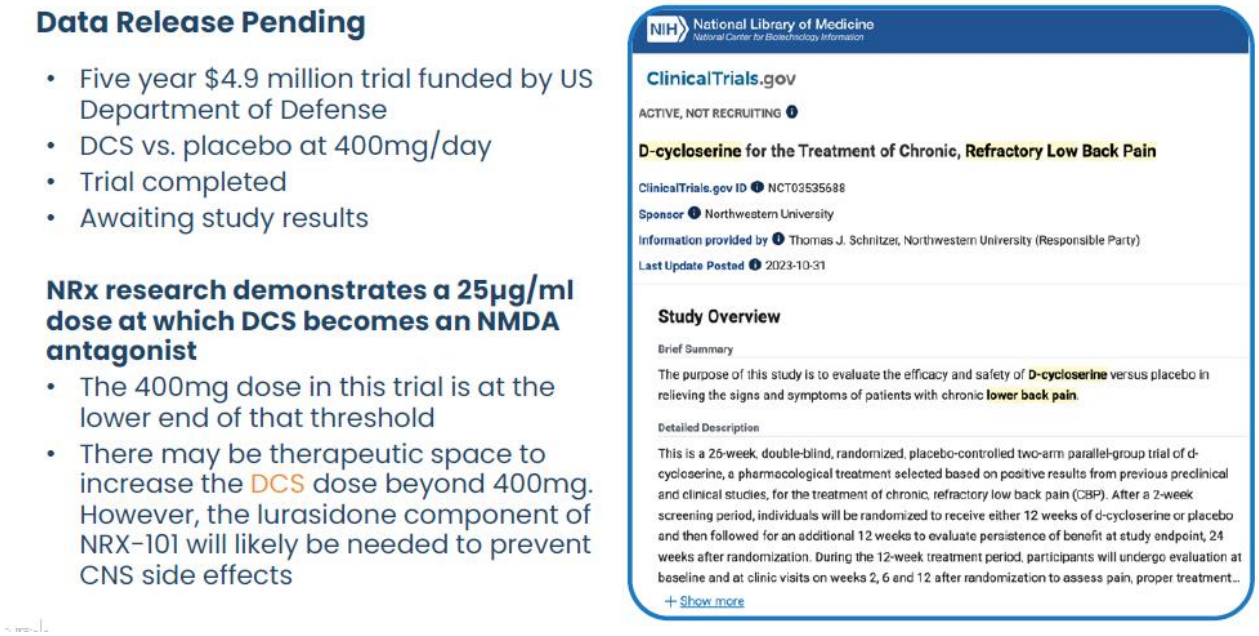
- Both drugs demonstrated > 50% response for treating depression. NRX-101 demonstrated a mean 76% reduction in symptoms of akathisia compared to lurasidone that was sustained over 42 days (Effect Size .37; P=0.025), using prespecified analytic methodology memorialized in FDA Special Protocol Agreement. Levels of akathisia with NRX-101 were essentially zero at day 42
- This safety advantage was previously reported in the Company's published STABIL-B trial
- Akathisia is identified as a life-threatening side effect of nearly all antidepressants, reported in 10-15% of treated patients and is closely linked to suicide in FDA black box warning
- Akathisia was seen in 2% of participants treated with NRX-101 vs. 11% treated with lurasidone
- Company plans to seek accelerated approval of NRX-101 for use in patients with bipolar depression at risk of akathisia while continuing to broaden the indication to all patients with bipolar depression and perhaps schizophrenia
- Study will be presented at the American Society of Clinical Psychopharmacology (ASCP) meeting May 28-31, 2024 (Miami) together with study investigators, accompanied by a broadcast scientific presentation on akathisia and antidepressant safety, and investor Q&A

RADNOR, Pa., May 6, 2024 /**PRNewswire**/ -- NRx Pharmaceuticals, Inc. (Nasdaq: NRXP) ("NRx Pharmaceuticals", the "Company"), a clinical stage pharmaceutical company, today announced a statistically significant safety advantage of NRX-101 compared to the standard of care comparator in its recently completed clinical trial in patients with suicidal bipolar depression. Therefore, the Company believes that demonstration of reduced akathisia in the setting of comparable antidepressant efficacy constitutes a basis for Accelerated FDA Approval of NRX-101. The full clinical trial results will be presented at the upcoming meeting to the American Society of Clinical Psychopharmacology held May 28-31, 2024 in Miami. NRx will gather Key Opinion Leaders to educate the public on the importance and potentially life-saving implication of this finding.

Source: Company reports.

Exhibit 18: Near Term Catalysts and Outlook





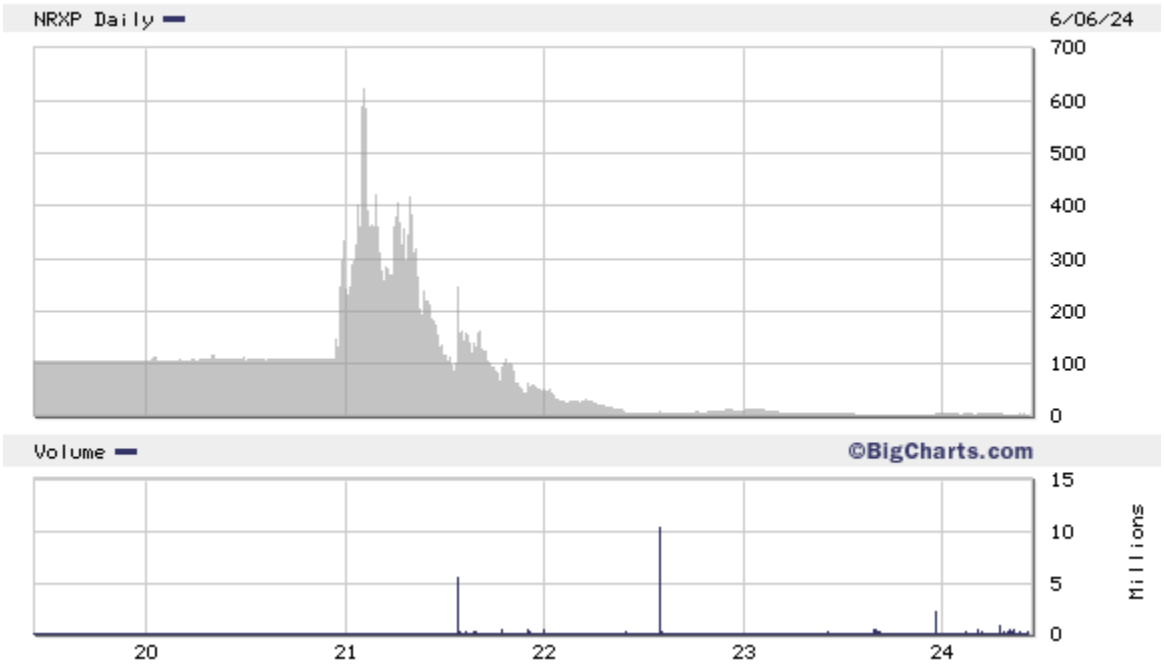
Source: Company reports.

Exhibit 19: NRx Pharmaceuticals, Inc. Stock Price (5-Years)

SPAC (Big Rock Partners Acquisition Corp.) IPO - 11/20/17

SPAC Merger Announcement (with NeuroRx, Inc.) - 12/14/20

SPAC Merger Completion (to form NRx Pharmaceuticals, Inc.) - 5/25/21



**Reflects a 1:10 reverse stock split in April 2024*

Source: https://bigcharts.marketwatch.com/

Exhibit 20: Consensus Expectations (as of May 14, 2024)

	Revenue (mils)			EPS	
	2024E	2025E		2024E	2025E
Q1 Mar	$0E		Q1 Mar	$(0.50)E	
Q2 Jun	$0E		Q2 Jun	$(0.45)E	
Q3 Sep			Q3 Sep		
Q4 Dec			Q4 Dec		
Total	$0E	$0E	Total	$(2.57)E	$(0.40)E

**Quarterly estimates may not add to annual estimates due to variations in contributing estimates and rounding*

**Reflects a 1:10 reverse stock split in April 2024*

Source: Company report, LSEG, and Ascendiant Capital Markets estimates

FINANCIAL MODEL

NRx Pharmaceuticals, Inc.

Income Statement ($ mils)	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Cost of Revenues	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross Profit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Research & development	5.5	3.0	4.1	4.5	17.0	3.7	3.9	3.3	2.5	13.4	1.7	3.0	3.0	3.0	10.7	3.0	3.0	3.0	3.0	12.0
General and administrative	10.2	6.6	5.0	5.5	27.4	5.8	4.1	2.5	1.9	14.2	4.3	3.0	3.0	3.0	13.3	2.0	2.0	2.0	2.0	8.0
Restructuring and other					0.0		0.3			0.3					0.0					0.0
Total operating expenses	15.7	9.6	9.1	10.0	44.4	9.4	8.2	5.8	4.4	27.8	6.0	6.0	6.0	6.0	24.0	5.0	5.0	5.0	5.0	20.0
Operating income (loss)	**(15.7)**	**(9.6)**	**(9.1)**	**(10.0)**	**(44.4)**	**(9.4)**	**(8.2)**	**(5.8)**	**(4.4)**	**(27.8)**	**(6.0)**	**(6.0)**	**(6.0)**	**(6.0)**	**(24.0)**	**(5.0)**	**(5.0)**	**(5.0)**	**(5.0)**	**(20.0)**
Interest income (expense)	(0.0)	0.0	0.1	0.1	0.2	0.2	0.1	0.1	(0.0)	0.4	(0.2)	(0.2)	(0.2)	(0.2)	(0.9)	(0.2)	(0.2)	(0.2)	(0.2)	(0.9)
Other income (expense)	2.3	2.6	(0.0)	(0.5)	4.3	(1.8)	(0.7)	(0.3)	0.1	(2.7)	(0.3)	0.0	0.0	0.0	(0.3)	0.0	0.0	0.0	0.0	0.0
Income before income taxes	(13.4)	(7.0)	(9.1)	(10.3)	(39.8)	(11.0)	(8.7)	(6.1)	(4.3)	(30.2)	(6.5)	(6.2)	(6.2)	(6.2)	(25.2)	(5.2)	(5.2)	(5.2)	(5.2)	(20.9)
Income taxes					0.0					0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (loss)	(13.4)	(7.0)	(9.1)	(10.3)	(39.8)	(11.0)	(8.7)	(6.1)	(4.3)	(30.2)	(6.5)	(6.2)	(6.2)	(6.2)	(25.2)	(5.2)	(5.2)	(5.2)	(5.2)	(20.9)
Nonrecurring/noncash adjustments					0.0					0.0					0.0					0.0
Net income (pro forma)	**(13.4)**	**(7.0)**	**(9.1)**	**(10.3)**	**(39.8)**	**(11.0)**	**(8.7)**	**(6.1)**	**(4.3)**	**(30.2)**	**(6.5)**	**(6.2)**	**(6.2)**	**(6.2)**	**(25.2)**	**(5.2)**	**(5.2)**	**(5.2)**	**(5.2)**	**(20.9)**
EBITDA																				
Shares, Basic	6.4	6.6	6.6	6.8	6.6	6.7	7.3	8.2	8.2	7.6	8.9	10.7	11.0	11.1	10.4	11.2	11.3	11.4	11.5	11.4
Shares, Diluted	6.4	6.6	6.6	6.8	6.6	6.7	7.3	8.2	8.2	7.6	8.9	10.7	11.0	11.1	10.4	11.2	11.3	11.4	11.5	11.4
EPS Basic (pro forma)	**($2.11)**	**($1.06)**	**($1.37)**	**($1.53)**	**($6.05)**	**($1.64)**	**($1.19)**	**($0.74)**	**($0.53)**	**($3.98)**	**($0.74)**	**($0.58)**	**($0.57)**	**($0.56)**	**($2.42)**	**($0.47)**	**($0.46)**	**($0.46)**	**($0.46)**	**($1.85)**
EPS Diluted (pro forma)	($2.11)	($1.06)	($1.37)	($1.53)	($6.05)	($1.64)	($1.19)	($0.74)	($0.53)	($3.98)	($0.74)	($0.58)	($0.57)	($0.56)	($2.42)	($0.47)	($0.46)	($0.46)	($0.46)	($1.85)
Margins																				
Gross margin																				
Research & development																				
General and administrative																				
Operating margin																				
Tax rate, GAAP																				
Net margin																				
Y/Y % change																				
Total Revenue																				
Gross margin																				
Research & development	88%	-37%	-34%	-31%	-16%	-33%	31%	-20%	-43%	-21%	-52%	-23%	-9%	18%	-20%	72%	0%	0%	0%	12%
General and administrative	387%	-47%	-64%	-88%	-63%	-43%	-39%	-50%	-66%	-48%	-27%	-26%	20%	60%	-7%	-53%	-33%	-33%	-33%	-40%
Operating income (loss)	-39%	-44%	-55%	-81%	-62%	-40%	-15%	-36%	-56%	-37%	-36%	-27%	3%	36%	-14%	-17%	-17%	-17%	-17%	-17%
Net income (loss)	-47%	-97%	-56%	-78%	-89%	-18%	25%	-33%	-58%	-24%	-41%	-28%	3%	44%	-16%	-20%	-16%	-16%	-16%	-17%
EPS Diluted (pro forma)	-70%	-98%	-66%	-81%	-92%	-23%	12%	-46%	-65%	-34%	-55%	-51%	-23%	6%	-39%	-37%	-20%	-19%	-19%	-24%

Source: Company reports and Ascendiant Capital Markets estimates. **Reflects a 1-for-10 Reverse Stock Split in April 2024*

NRx Pharmaceuticals, Inc.

Balance Sheet ($ mils)	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	40.2	24.5	18.2	20.1	16.5	15.0	8.9	4.6	1.3	5.6	(0.4)	(6.4)	(10.9)	(15.9)	(20.9)	(25.9)
Short term investments										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Account receivable																
Deferred income taxes										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other	3.4	7.9	6.6	5.7	5.3	4.8	4.2	2.3	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total current assets	43.6	32.4	24.8	25.8	21.8	19.8	13.1	6.9	3.3	7.6	1.7	(4.3)	(8.9)	(13.9)	(18.9)	(23.9)
Property and equipment, net										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Intangibles, net										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income tax										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.4	0.4	0.4	0.4	0.0	0.0	0.0	0.0
Total assets	**43.6**	**32.4**	**24.8**	**25.8**	**21.8**	**19.8**	**13.1**	**7.3**	**3.8**	**8.1**	**2.1**	**(3.9)**	**(8.9)**	**(13.9)**	**(18.9)**	**(23.9)**
Liabilities and stockholders' equity																
Accounts payable	4.3	3.1	2.2	2.1	3.8	2.2	3.6	4.6	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3
Accrued expenses	4.5	4.0	5.8	5.8	6.1	6.9	5.3	5.2	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8
Deferred income tax										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	2.5					0.8	0.3			0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short term debt	0.5			8.7	12.2	12.7	10.1	9.2	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8
Total current liabilities	**11.9**	**7.1**	**8.0**	**16.6**	**22.1**	**22.6**	**19.3**	**19.0**	**18.9**	**18.9**	**18.9**	**18.9**	**18.9**	**18.9**	**18.9**	**18.9**
Deferred income taxes										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities										7.0	7.0	7.0	7.0	7.0	7.0	7.0
Long term debt				1.8						0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total other liabilities	**0.0**	**0.0**	**0.0**	**1.8**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**7.0**	**7.0**	**7.0**	**7.0**	**7.0**	**7.0**	**7.0**
Preferred stock							0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common stock	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.3	0.5	0.7	1.0	1.2	1.5	1.7
Additional paid-in capital	228.3	229.0	229.5	230.4	233.6	239.9	242.5	241.3	244.6	244.6	244.6	244.6	244.6	244.6	244.6	244.6
Retained earnings	(196.7)	(203.7)	(212.8)	(223.1)	(234.0)	(242.8)	(248.8)	(253.1)	(259.7)	(265.9)	(272.1)	(278.4)	(283.6)	(288.9)	(294.1)	(299.3)
Other										3.3	3.3	3.3	3.3	3.3	3.3	3.3
Accumulated other comprehensive income					0.1	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Total stockholders' equity	**31.7**	**25.4**	**16.8**	**7.4**	**(0.3)**	**(2.8)**	**(6.2)**	**(11.7)**	**(15.1)**	**(17.8)**	**(23.8)**	**(29.8)**	**(34.8)**	**(39.7)**	**(44.7)**	**(49.7)**
Total stockholders' equity and liabil	**43.6**	**32.4**	**24.8**	**25.8**	**21.8**	**19.8**	**13.1**	**7.3**	**3.8**	**8.1**	**2.1**	**(3.9)**	**(8.9)**	**(13.9)**	**(18.9)**	**(23.9)**

Balance Sheet Drivers

	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Book & Cash Value (per share)																
Book Value per Share (diluted)	$4.98	$3.86	$2.53	$1.10	($0.04)	($0.38)	($0.76)	($1.43)	($1.70)	($1.66)	($2.16)	($2.68)	($3.10)	($3.52)	($3.92)	($4.32)
Cash per Share (diluted)	$6.31	$3.73	$2.75	$2.97	$2.45	$2.04	$1.09	$0.56	$0.15	$0.53	($0.03)	($0.57)	($0.98)	($1.41)	($1.84)	($2.25)
Net cash per Share (diluted)	$6.23	$3.73	$2.75	$1.41	$0.64	$0.31	($0.14)	($0.56)	($0.62)	($0.11)	($0.65)	($1.18)	($1.58)	($2.01)	($2.43)	($2.84)

Source: Company reports and Ascendiant Capital Markets estimates

NRx Pharmaceuticals, Inc.

Cash Flow Statement ($ mils)	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Cash flow from operating activities																				
Net income	(13.4)	(7.0)	(9.1)	(10.2)	(39.8)	(11.0)	(8.7)	(6.1)	(4.3)	(30.2)	(6.5)	(6.2)	(6.2)	(6.2)	(25.2)	(5.2)	(5.2)	(5.2)	(5.2)	(20.9)
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization					0.0					0.0					0.0					0.0
Debt related amortization expen	0.0	(0.0)	0.0	0.0	0.0					0.0					0.0					0.0
Stock comp	1.3	1.0	0.5	0.8	3.6	0.7	0.5	0.4	(1.2)	0.4	0.2	0.2	0.2	0.2	1.0	0.2	0.2	0.2	0.2	1.0
Deferred income taxes					0.0					0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in fair value of warrant l	(0.2)	(0.1)	0.0	0.5	0.3	1.8	0.7	0.3	(0.1)	2.7	0.3				0.3					0.0
Change in fair value of earnout c	(2.1)	(2.5)			(4.6)															
Writedowns and impairments					0.0					0.0					0.0					0.0
Other gains/losses					0.0		0.3			0.3					0.0					0.0
Other					0.0					0.0					0.0					0.0
Changes in operating assets and liabilities:																				
Accounts receivable					0.0					0.0					0.0					0.0
Prepaid expenses & other curre	1.7	(4.5)	1.3	0.8	(0.6)	0.5	0.4	0.6	1.5	3.0	0.3				0.3					0.0
Income tax					0.0					0.0					0.0					0.0
Other assets					0.0					0.0		0.0	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.4
Accounts payable	0.6	(1.2)	(0.9)	(0.1)	(1.6)	1.7	(1.6)	1.5	1.0	2.7	2.1				2.1					0.0
Accrued expenses	1.6	(0.5)	1.8	(0.0)	2.9	0.3	0.6	(1.3)	(0.1)	(0.5)	(0.1)				(0.1)					0.0
Other liabilities					0.0					0.0		7.0	0.0	0.0	7.0	0.0	0.0	0.0	0.0	0.0
Net cash (used in) provided by	**(10.4)**	**(14.8)**	**(6.3)**	**(8.3)**	**(39.8)**	**(6.1)**	**(7.8)**	**(4.6)**	**(3.2)**	**(21.7)**	**(3.7)**	**1.0**	**(6.0)**	**(6.0)**	**(14.7)**	**(4.6)**	**(5.0)**	**(5.0)**	**(5.0)**	**(19.5)**
Cash flow from investing activities																				
Purchases of property and equi	(0.0)	(0.0)	(0.0)	0.0	(0.0)	(0.0)	0.0	(0.0)	0.0	(0.0)		(0.0)	0.0	(0.0)	(0.0)	(0.0)	0.0	(0.0)	(0.0)	(0.0)
Purchases of short-term investments					0.0					0.0					0.0					0.0
Acquisitions					0.0					0.0					0.0					0.0
Other					0.0					0.0					0.0					0.0
Net cash used in investing activ	**(0.0)**	**(0.0)**	**(0.0)**	**0.0**	**(0.0)**	**(0.0)**	**0.0**	**(0.0)**	**0.0**	**(0.0)**	**0.0**	**(0.0)**	**0.0**	**(0.0)**	**(0.0)**	**(0.0)**	**0.0**	**(0.0)**	**(0.0)**	**(0.0)**
Cash flow from financing activities																				
Issuance of debt				10.0	10.0		0.8		0.4	1.2		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of debt		(0.5)			(0.5)		(0.1)	(2.7)	(0.3)	(3.1)	(2.2)				(2.2)					0.0
Issuance of stock	23.0	(0.3)	(0.0)	0.1	22.7	2.5	5.6	1.2	(1.2)	8.1	2.6	0.0	0.0	0.0	2.6	0.0	0.0	0.0	0.0	0.0
Proceeds from stock option exercises				0.0	0.0					0.0					0.0					0.0
Other					0.0					0.0		3.3			3.3					0.0
Dividends and distributions					0.0					0.0					0.0					0.0
Cash provided by (used in) fina	**23.0**	**(0.9)**	**(0.0)**	**10.1**	**32.2**	**2.5**	**6.3**	**(1.5)**	**(1.1)**	**6.2**	**0.4**	**3.3**	**0.0**	**0.0**	**3.7**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Effect of exchange rate on cash					0.0					0.0					0.0					0.0
Net increase (decrease) in cash	**12.6**	**(15.7)**	**(6.3)**	**1.8**	**(7.6)**	**(3.5)**	**(1.5)**	**(6.1)**	**(4.3)**	**(15.5)**	**(3.3)**	**4.3**	**(6.0)**	**(6.0)**	**(11.0)**	**(4.6)**	**(5.0)**	**(5.0)**	**(5.0)**	**(19.5)**
Beginning cash and equivalents	**27.6**	**40.2**	**24.5**	**18.2**	**27.6**	**20.1**	**16.5**	**15.0**	**8.9**	**20.1**	**4.6**	**1.3**	**5.6**	**(0.4)**	**4.6**	**(6.4)**	**(10.9)**	**(15.9)**	**(20.9)**	**(6.4)**
Ending cash and equivalents	**40.2**	**24.5**	**18.2**	**20.1**	**20.1**	**16.5**	**15.0**	**8.9**	**4.6**	**4.6**	**1.3**	**5.6**	**(0.4)**	**(6.4)**	**(6.4)**	**(10.9)**	**(15.9)**	**(20.9)**	**(25.9)**	**(25.9)**

Source: Company reports and Ascendiant Capital Markets estimates

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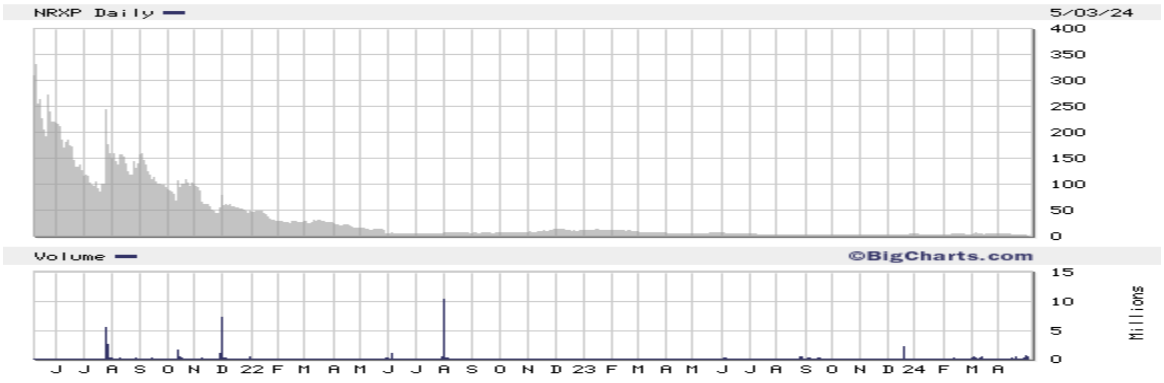
NRx Pharmaceuticals, Inc.



**Reflects a 1:10 reverse stock split in April 2024*

Source: https://bigcharts.marketwatch.com/

	Report Date		Price
Report	Date	Rating	Target
1	11/9/2022	B	40.00
2	11/18/2022	B	45.00
3	4/5/2023	B	47.50
4	5/23/2023	B	50.00
5	9/6/2023	B	52.50
6	12/22/2023	B	55.00
7	5/4/2024	B	50.00

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BUY: We expect the stock to provide a total return of 15% or more within a 12-month period.

HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

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Total return is defined as price appreciation plus dividend yield.

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			Investment Banking Services Past 12 months	
Rating	**Count**	**Percent**	**Count**	**Percent**
Buy	55	98%	18	33%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	56	100%	18	32%

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