

January 2, 2025

HOPE Therapeutics Advances With Kadima

NRx Pharmaceuticals and its subsidiary, HOPE Therapeutics, announced the planned acquisition of the Kadima Neuropsychiatry Institute in La Jolla, CA. This acquisition marks a pivotal step in establishing HOPE's international network of interventional psychiatry clinics. Kadima will serve as the flagship clinic, offering advanced treatments such as Ketamine Therapy, Spravato, and Transcranial Magnetic Stimulation for CNS disorders, including depression, anxiety, and PTSD. With a robust research division and strong governmental contracts, Kadima's integration is expected to enhance HOPE's market presence and immediately contribute to NRx's revenue and EBITDA, while solidifying its leadership in interventional psychiatry.

The planned acquisition of Kadima Neuropsychiatry Institute underscores NRx Pharmaceuticals' strategic commitment to expanding its footprint in the interventional psychiatry landscape. Kadima's established reputation as an early adopter of innovative therapies, including ketamine and psychedelic research, complements HOPE Therapeutics' mission to redefine treatment paradigms for CNS disorders. The institute's existing contracts with the U.S. Department of Veterans Affairs and Department of Defense, coupled with its active participation in clinical trials, position Kadima as a valuable asset in addressing unmet needs in mental health care. Furthermore, the anticipated financial accretion and the appointment of Dr. David Feifel as Chief Medical Innovation Officer will fortify HOPE's capacity to deliver state-of-the-art care and catalyze further growth within the interventional psychiatry market.

Catalysts for NRx Pharmaceuticals in 2025. NRx Pharmaceuticals is poised for a transformative 2025, with multiple high-impact catalysts across its pipeline and business initiatives. The company is on track to achieve significant regulatory milestones, including expected PDUFA dates for NRX-100 (IV Ketamine) and NRX-101, NDA submissions (ongoing). If approved, NRX-100 could become the first treatment indicated for acute suicidality, addressing a critical unmet need, while NRX-101 targets bipolar depression with suicidality or akathisia, a market valued in the billions. These products, backed by robust clinical data from trials such as STABIL-B and Phase 2b/3 studies, highlight NRx's innovation in addressing urgent mental health challenges.

Valuation: Our \$31 PT is based on the success of NRX-100 and NRX-101, including revenues from the clinic acquisitions (Hope Therapeutics). Our valuation models include Free Cash Flow to the Firm (FCFF), disc EPS (dEPS), and Sum-of-the-Parts (SOP). We use a 30% disc rate. This is in addition to our revenue models' 30% risk cut or 70% Probability of Success POS factor. We select 30% for micro-capitalized growth co's, representing our highest risk rate. These three models' results are equal-weighted, averaged, and rounded to the nearest whole number to provide a 12-month PT.

Risks to our thesis include: 1. Regulatory Approvals; 2. Clinical Science; 3. Intellectual Capital; and 4. Dilution

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MARKET DATA

Rating	Buy
Price Target	\$31.00
Price	\$2.20
Average Daily Volume (000)	12,742
52-Week Range (\$)	\$1.10-\$7.33
Market Cap (M)	\$27
Enterprise Value (M)	\$29
Book Value	(1.42)
Dividend Yield	0.0%
Cash (M)	\$2
Qrtly Burn Rate (M)	\$(2)

ESTIMATES

	2023A	2024E	2025E
Revenue (M)	\$0.0	\$0.0	\$107.2
Total Expenses (M)	\$28	\$22	\$15
GAAP EPS	\$(0.28)	\$(1.86)	\$1.02

One Year Performance Chart



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Please see analyst certification and important disclosures on page 3 of this report.

NRx Pharmaceuticals: Income Statement																
000 : YE December 31	2023A	1Q24A	2Q24A	3Q24A	4Q24E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Product sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NRX-101 for BPD - Akathisia	-	-	-	-	-	-	70,311	105,467	210,933	351,556	1,054,667	1,230,445	1,265,601	1,265,601	1,265,601	1,335,912
NRX-100 (IV Ketamine)	-	-	-	-	-	-	9,707	38,415	251,449	625,350	1,038,634	1,151,314	1,416,339	1,416,339	1,416,339	1,416,339
PTSD / Pain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Product Sales	-	-	-	-	-	-	80,018	143,882	462,383	976,906	2,093,302	2,381,759	2,681,939	2,681,939	2,681,939	2,752,250
Clinic-Psyc Center Revenues Net to Parent	-	-	-	-	-	-	17,500	36,400	56,238	77,234	98,473	120,531	139,347	149,019	149,019	158,871
Total Revenues	-	-	-	-	-	-	107,225	180,282	518,621	1,054,139	2,191,774	2,502,290	2,821,286	2,830,959	2,830,959	2,911,122
Expenses																
Product COGS	-	-	-	-	-	-	-	34,532	92,477	175,843	313,995	357,264	402,291	375,472	268,194	275,225
COGS %	-	-	-	-	-	-	-	24%	20%	18%	15%	15%	15%	14%	10%	10%
Research and Development	13,371	1,748	2,804	611	2,500	7,663	12,000	12,500	15,000	18,000	19,800	27,720	38,808	58,600	64,460	70,906
General and Administrative	14,216	4,250	4,246	2,411	3,900	14,807	14,955	15,105	15,256	19,070	22,884	26,316	27,632	27,908	28,187	28,469
Total Operating Expenses	27,837	5,998	7,050	3,022	6,400	22,470	14,955	49,636	107,732	194,913	336,879	383,580	429,923	403,380	296,381	303,694
Loss from Operations	(27,837)	(5,998)	(7,050)	(3,022)	(6,400)	(22,470)	65,063	94,246	354,651	781,993	1,756,423	1,998,179	2,252,017	2,278,560	2,385,558	2,448,556
Other (income) Expenses																
Gain on extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	(494)	(27)	(7)	(6)	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense - Convertible note	120	230	849	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in fair value of warrant liability	2,707	318	23	(1,355)	-	-	-	-	-	-	-	-	-	-	-	-
Change in fair value of Earnout Cash liability	(20)	9	(18)	(38)	-	-	-	-	-	-	-	-	-	-	-	-
Total other (income) expense	530	847	(1,399)	(1,399)	(1,399)	(1,399)	(1,399)	(1,399)	(1,399)	(1,399)	(1,399)	(1,399)	(1,399)	(1,399)	(1,399)	(1,399)
Net Loss	(30,150)	(6,528)	(7,897)	(1,623)	(6,400)	(22,470)	65,063	94,246	354,651	781,993	1,756,423	1,998,179	2,252,017	2,278,560	2,385,558	2,448,556
Deemed Dividend (& other)	(3)	-	-	-	-	-	-	4,712	28,372	78,199	316,156	479,563	630,565	683,568	739,523	808,024
Tax Rate	0%	0%	0%	0%	0%	0%	0%	5%	8%	10%	18%	24%	28%	30%	31%	33%
GAAP Net Income (loss)	(30,147)	(6,528)	(7,897)	(1,626)	(6,400)	(22,451)	65,063	89,533	326,279	703,794	1,440,267	1,518,616	1,621,452	1,594,992	1,646,035	1,640,533
GAAP-EPS	(0.40)	(0.74)	(0.75)	(0.15)	(0.36)	(1.99)	(0.43)	1.81	6.57	14.12	28.77	30.22	32.14	31.48	32.41	32.22
GAAP EPS (dil)	(0.28)	(0.74)	(0.75)	(0.15)	(0.36)	(1.86)	1.02	1.12	4.06	8.71	17.76	18.65	32.14	31.48	32.41	32.22
Wgtd Avg Shrs (Bas) '000	75,762	8,852	10,517	10,973	18,000	12,086	41,180	49,457	49,655	49,854	50,054	50,255	50,456	50,658	50,785	50,912
Wgtd Avg Shrs (Dil) '000	109,406	8,852	10,517	10,973	18,000	12,086	63,906	80,137	80,458	80,780	81,104	81,429	81,755	82,082	82,288	82,494

Source: Company reports and EF Hutton

Important Disclosures

Analyst Certification

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BUY (B) - Total return expected to exceed S&P 500 by at least 10%

HOLD (H) - Total return expected to be in-line with S&P 500

SELL (S) - Total return expected to underperform S&P 500 by at least 10%

Distribution of Ratings/IB Services

D. Boral

Rating	Count	Percent	IB Serv./Past 12 Mos.	
			Count	Percent

BUY	48	97.96	13	27.08
HOLD	1	2.04	0	0.00
SELL	0	0.00	0	0.00

NRx Pharmaceuticals, Inc. Rating History as of 12/31/2024

