



# NRx Pharmaceuticals, Inc.

Q1 inline. Key NRX-101 Phase 3 trial progressing well. We believe expected positive milestones and clinical data in 2023 to be strong catalysts for stock. Raising P/T to \$5.00.

**Q1 inline:** NRx recently (on May 16) reported its Q1 2023 (ending March) results. Net loss was \$11.0 million or EPS of \$(0.16) compared with our and consensus estimates of \$(0.13) - (0.14). There was no guidance. NRx is a clinical stage drug development company so it generates no revenue.

**Operating expenses:** Operating expenses were \$9.4 million, down slightly from Q4 2022's \$10.0 million on continued clinical trial activities.

**No guidance:** Management did not provide forward guidance.

**Adjusting estimate:** We are adjusting our 2023 EPS estimate to \$(0.56) from \$(0.53).

**Focused on Bipolar Disorder:** Its main drug is NRX-101 (D-cycloserine/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.

**Clinical trials data expected in Q4 2023:** In Q2 2022, enrollment was initiated in its Phase 2 trial of NRX-101 in patients with Bipolar Depression and Sub-Acute Suicidal Ideation & Behavior (SSIB) (not requiring hospitalization). In January 2023, a registration trial (Phase 3) was initiated for NRX-101 in patients with Bipolar Depression and acute suicidal ideation and behavior (ASIB) (requiring hospitalization). In March 2023, the DSMB (Data and Safety Monitoring Board) examined unblinded study data to assess the study for safety and potential futility and recommended continuation of patient enrollment as planned. This trial has been upgraded to a Phase 2b/3 study that may be used for a registrational filing. Top-line data from this trial is expected in Q4 2023. If the trials are successful, the company may be able to file a new drug application (NDA) with the FDA for NRX-101 by late 2023 or early 2024, with commercialization starting in 2024.

**Consolidation of study:** Based on guidance from the FDA and the DSMB, the company is consolidating patients in the ASIB study into the currently enrolling Phase 2b/3 trial. This would potentially allow registration of NRX-101 for Suicidal Treatment-Resistant Bipolar Depression, regardless of the mechanism of stabilization. This broader indication may also offer significant advantages in commercialization.

**PTSD:** NRx plans to investigate NRX-101 in PTSD as an additional indication. The company expects to commence planning for a Phase 2 clinical trial in Q2 2023 with the study initiated in 2023.

**Balance sheet:** As of Q1, the company has \$17 million in cash and \$12 million in debt. In Q1, the company raised \$3 million in stock (3.8 million shares at \$0.75/share). We believe the company has enough cash into 2024.

**2023 clinical data can be catalyst:** We believe achieving key milestones and strong positive data in 2023 will likely be catalysts for the stock.

**Current valuation attractive:** We are maintaining our BUY rating, but raising our 12-month price target to \$5.00 from \$4.75 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.

United States  
Healthcare

May 23, 2023

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## COMPANY UPDATE

Rating: BUY

Ticker: NRXP

Price: \$0.66

Target: \$5.00  
(from \$4.75)

## Stock Data

Exchange:	NasdaqGM
52-week Range:	0.49 – 1.54
Shares Outstanding (million):	71
Market cap (\$million):	\$47
EV (\$million):	\$42
Debt (\$million):	\$12
Cash (\$million):	\$17
Avg. Daily Trading Vol. (\$million):	\$0.2
Float (million shares):	43
Short Interest (million shares):	2
Dividend, annual (yield):	\$0 (NA%)

## Revenues (US\$ million)

	<u>2023E</u> <u>(Cur.)</u>	<u>2023E</u> <u>(Old)</u>	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>
Q1 Mar	0A	0E	0E	
Q2 Jun	0E		0E	
Q3 Sep	0E		0E	
Q4 Dec	<u>0E</u>		<u>0E</u>	
Total	0E		0E	
EV/Revs	N/A		N/A	

## Earnings per Share (pro forma)

	<u>2023E</u> <u>(Cur.)</u>	<u>2023E</u> <u>(Old)</u>	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>
Q1 Mar	(0.16)A	(0.13)E	(0.13)E	
Q2 Jun	(0.13)E		(0.13)E	
Q3 Sep	(0.13)E		(0.13)E	
Q4 Dec	<u>(0.13)E</u>		<u>(0.13)E</u>	
Total	<u>(0.56)E</u>	<u>(0.53)E</u>	<u>(0.53)E</u>	<u>(0.52)E</u>
P/E	N/A		N/A	

## Important Disclosures

Ascendant 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 17.

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Exhibit 1: NRx Pharmaceuticals, Inc. Corporate Overview



**NRx**  
Nasdaq: NRXP

# NRx Pharmaceuticals, Inc.

## OUR MISSION

### We Bring Hope to Life

Breakthrough Medicines for Life-threatening CNS Diseases with unmet medical needs

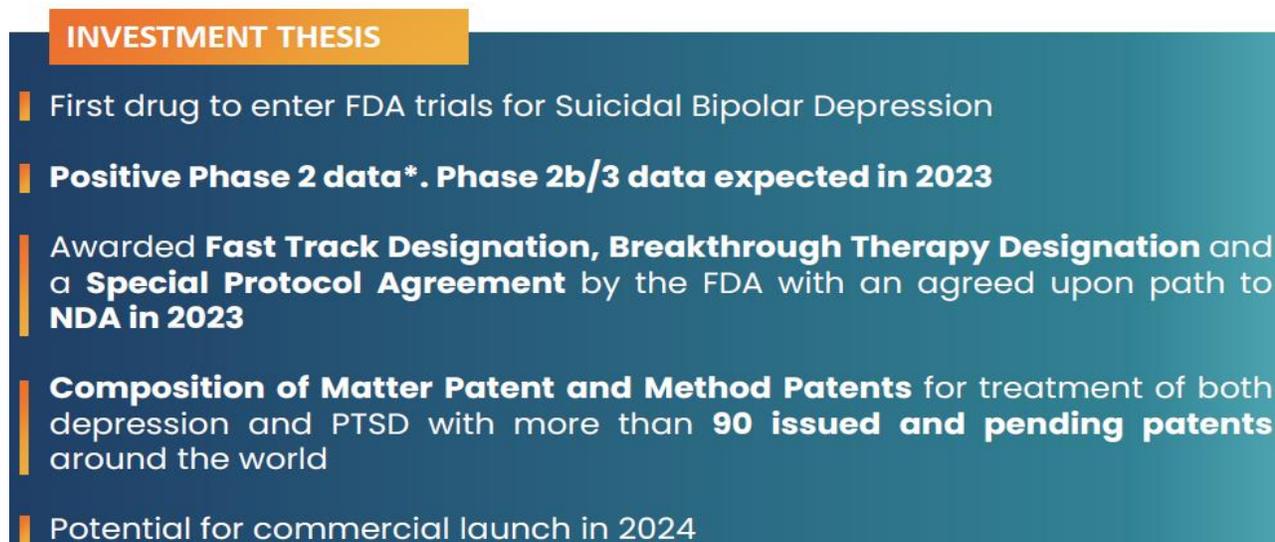
Our medicines are based on new molecular targets for suicidal depression and PTSD that are not addressed by major pharmaceutical companies.

Source: Company reports.

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Exhibit 2: NRx's Investment Summary



## INVESTMENT THESIS

- First drug to enter FDA trials for Suicidal Bipolar Depression
- Positive Phase 2 data\* . Phase 2b/3 data expected in 2023**
- Awarded **Fast Track Designation, Breakthrough Therapy Designation** and a **Special Protocol Agreement** by the FDA with an agreed upon path to **NDA in 2023**
- Composition of Matter Patent and Method Patents** for treatment of both depression and PTSD with more than **90 issued and pending patents** around the world
- Potential for commercial launch in 2024

Source: Company reports.

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Exhibit 3: NRX-101

## NRX-101

The first oral, non-addictive medicine in development to treat Bipolar Depression in Patients with ASIB\* and SSIB\*\*



\*ASIB - requiring hospitalization  
\*\*SSIB - not requiring hospitalization

## NRX-101™ For Suicidal Treatment-Resistant Bipolar Depression

First oral medicine in development for Suicidal Treatment-Resistant Bipolar Depression

- Non-addictive
- Non-neurotoxic
- Non-hallucinogenic

NRX-101 blocks the psychedelic effects of NMDA antagonists with evidence that the antidepressant and anti-suicidal properties can be preserved

Source: Company reports.

**Exhibit 4: NRx's Product Pipeline**

## NRx Research Pipeline

Our pipeline includes the first drug in development to treat Bipolar Depression in Patients with Acute and Sub-Acute Suicidal Ideation & Behavior (ASIB & SSIB).

### NRx R&D Pipeline: Multi-Billion Dollar Potential in Psychiatry and Chronic Pain

Indication	Compound	Preclinical	Phase 1	Phase 2	Phase 3	Status
<b><u>Bipolar Depression &amp; Suicidal Ideation</u></b>						
Severe Bipolar Depression with Recently Suicidal Patients post stabilization	NRX-100™ / NRX-101™	FDA SPA, Breakthrough Therapy, Biomarker letter of Support				Integrating with P2b/3
Treatment of Suicidal Treatment-Resistant Bipolar Depression	NRX-101™	Currently Enrolling Phase 2b/3				Data expected Q4 2023
Expanded Access / Safety Study	NRX-101™	300+ expected to be enrolled by Q2 2024				
<b><u>Post-Traumatic Stress Disorder (PTSD) with Depression &amp; Suicidality</u></b>						
PTSD in patients with Depression & Suicidality	NRX-101™	Enrollment pending				Data readout expected in 2023
<b><u>Chronic Pain with depression</u></b>						
Depression in patients with chronic pain	NRX-101™	Planning				Data readout expected in 2024

Source: Company reports.

**Exhibit 5: Targeting Suicidal Bipolar Depression Risks**

**Why target Suicidal Bipolar Depression?**

Suicide kills ~50,000 Americans annually\* - suicide is particularly high in bipolar disorder

**Selected Unmet Needs for New Antidepressants**

**EFFICACY**

- Higher % responders
- Faster Onset

WARNING: INCREASED MORTALITY IN ELDERLY PATIENTS WITH DEMENTIA-RELATED PSYCHOSIS, and SUICIDAL THOUGHTS AND BEHAVIORS

**SAFETY/ TOLERABILITY**

- Decrease or no increase in Suicidality
- Lower Side Effects

Source: Company reports.

**Exhibit 6: Bipolar Depression Suicide Market Opportunities**

**NRX-101 Market Opportunity in Bipolar Depression**

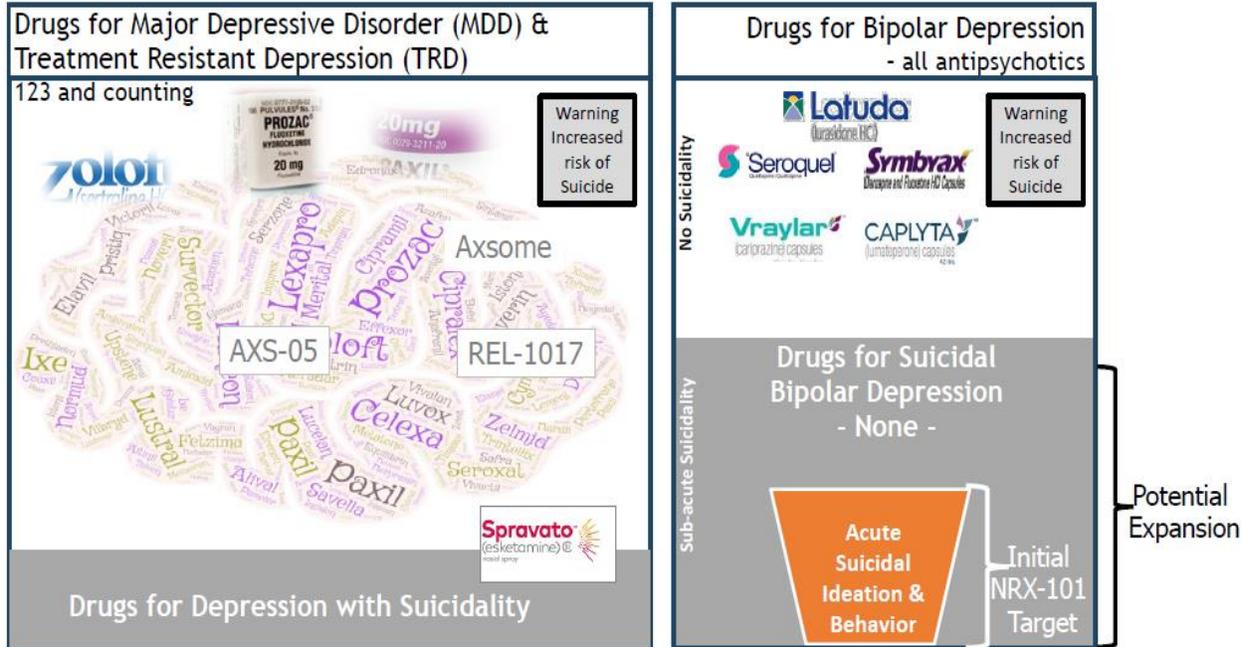
Patients in clinics and outpatient being treated for Bipolar Depression with Suicidality



Source: Company reports.

**Exhibit 7: Unmet Need for Bipolar Depression Suicidality**

Though numerous drugs have been approved for MDD and Bipolar Depression, faster, more robust response, and reduction of suicidality remain the unmet need



Source: Company reports.

**Exhibit 8: Science of Depression and Suicidality**

**The Emerging Science of Depression and Suicidality**

**Depression and Suicidality – though overlapping is not the same**

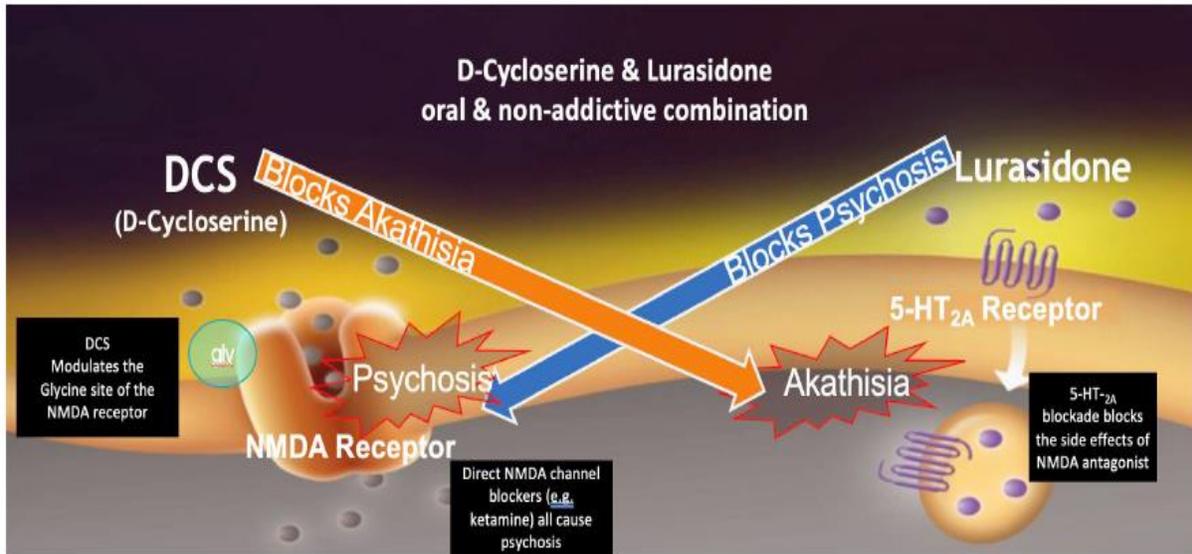
Depression with Suicidality	Implications for Bipolar Depression with Suicidality
<ul style="list-style-type: none"> <li>• Antidepressants (5HT2a / SSRIs) can increase suicidality – suicidality routinely an exclusion in depression studies</li> <li>• NMDA antagonists (ketamine) can stabilize depression and suicidality –               <ul style="list-style-type: none"> <li>• Suicidality improvement not strictly a function of improvements in depression</li> <li>• Ketamine can create hallucinations, may be highly addictive, requires supervised administration</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Highest suicidality of depressive disorders ~ 50% attempt suicide</li> <li>• Available drugs improve depression but can increase suicidality</li> <li>• Drug abuse and overdose of great concern – addictive agents may require REMS</li> </ul>
<p><b>Development of Depression drugs has mostly avoided addressing Suicidality</b></p>	

Source: Company reports.

**Exhibit 9: NRx Discovery**

**The NRx Discovery**

Simultaneous Blockade of NMDA and 5-HT<sub>2A</sub>



**D-Cycloserine acts as an NMDA antagonist above certain dosages**

Studies have shown that DCS + 5HT2a increases the antidepressant response and reduces suicidality

**Understanding the NMDA Receptor**

The NMDA receptor is an ION Channel on the surface of Brain Cells

At high levels of NMDA activity (i.e. the channel is wide open) thoughts are slowed substantially, patients ruminate on negative, frequently suicidal thoughts. Brain cells stop making new connections to neighboring cells.

NMDA antagonists decrease symptoms of depression.

NMDA antagonists block the akathisia caused by SSRI antidepressants in nonclinical studies.

NMDA antagonists “rewire” the brain by stimulating new connections between brain cells.

**NMDA RECEPTOR REGULATES SPEED OF THOUGHTS**

**TOO FAST** and thoughts race uncontrollably (mania)  
**TOO SLOW** and negative, self-destructive thoughts drive suicide

**TURNING A DIMMER**  
Daily oral NRx-101 (a proprietary formulation of D-cycloserine and Lurasidone) modulates NMDA receptors at the glycine site.

**FLIPPING THE SWITCH**  
A single infusion of injected Ketamine by pump initiates therapy; Blocks brain NMDA receptors at the “channel” site.

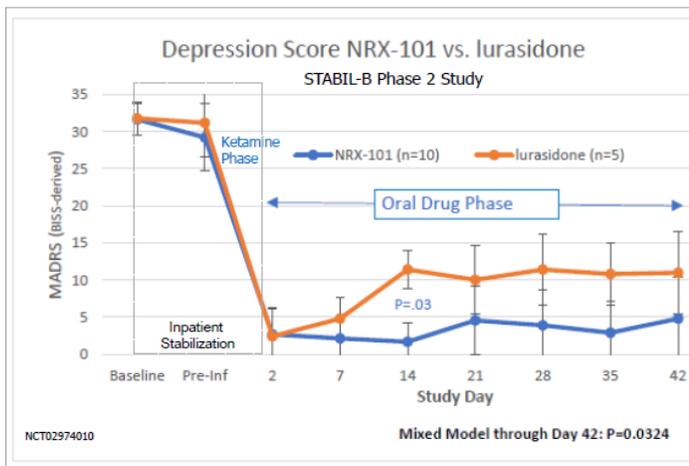
Source: Company reports.

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

**Phase 2 Study showed effect of D-Cycloserine in Depression / Suicidality**

If Phase 2 results are replicated in Phase 3, this will meet criteria for FDA approval

- Primary endpoint is mean MADRS score over 42 days
- A clinically and statistically significant difference (p=.03) was seen on the mixed model through day 42. The mean 7.7 point difference on MADRS is similar to or larger than that seen with Esketamine
- 40% relapse in control group, no relapse in NRX-101 group
- Patients who would otherwise have been in the hospital for 1 week plus were discharged after 1-2 days

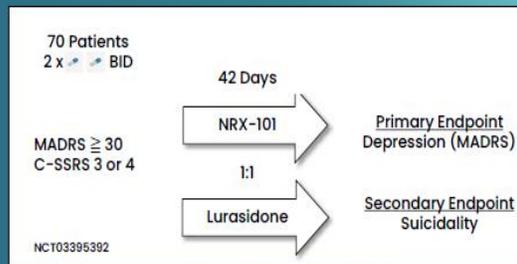


Source: Company reports.

**Exhibit 11: Current NRX-101 Clinical Trial Program (SSIB & ASIB)**

**Phase 2b/3 Trial for Expansion to Suicidal Treatment-Resistant Bipolar Depression**

- Patients who have symptoms of Severe Depression and Suicidal Ideation despite treatment with currently approved drugs
- No pre-treatment with ketamine or other stabilization is required
- NRX-101 vs. lurasidone comparator is administered 2x daily at home
- First known trial of a novel antidepressant in which patients with active suicidal ideation have successfully been enrolled
- 76% completion rate among the first 50 participants, prior to expansion



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

**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

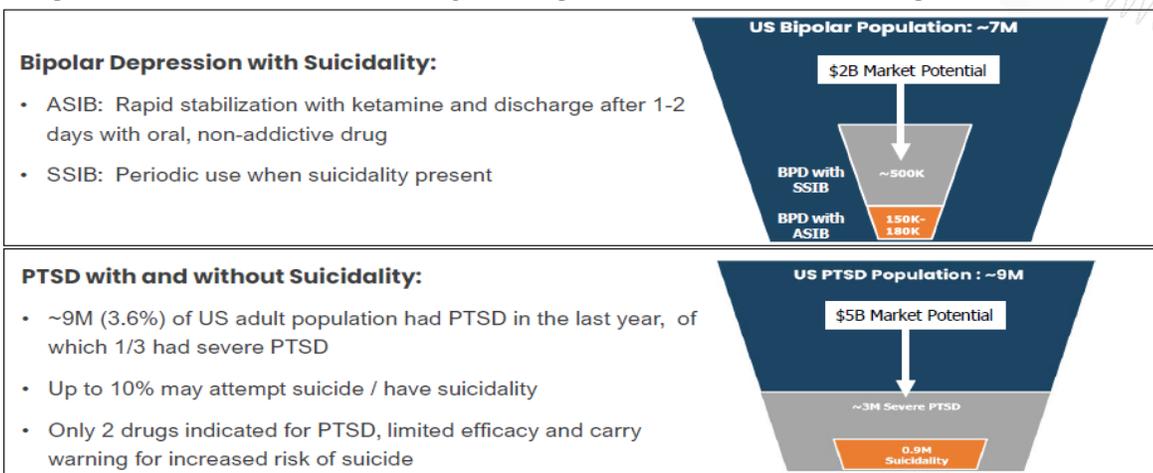
Exploring expansion in earlier population

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

Source: Company reports.

**Exhibit 13: NRX-101 Market Opportunities**

**NRX-101 could be a potential Paradigm Shift in the Treatment of High Unmet Psychiatric Conditions – especially those with Suicidality**



Source: Company reports.

Exhibit 14: NRX-101 for PTSD

## NRX-101™ for PTSD

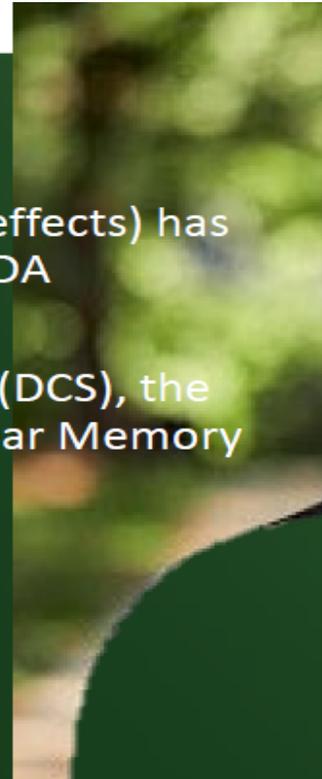
### Rationale for treating PTSD:

Ketamine (despite its challenges and side effects) has shown therapeutic benefit – supports NMDA mechanism

Nonclinical data shows that D-Cycloserine (DCS), the NMDA component of NRX-101, reduces Fear Memory

Phase 2 – Proof of Concept trial of NRX-101 for PTSD to be initiated in 2023

Post-9/11, we have lost 4x more veterans and servicemembers to suicide than combat.



## No Approved Medicine for PTSD Symptoms

Only two approved SSRI's for PTSD-related Depression  
Both carry black box suicide warnings and neither have an effect on Fear Memory

**9+**  
Million

**10%**  
Have Suicidality



**1/3**  
With Severe PTSD

**>30K**  
Veteran Deaths Since 9/11

**\$5+**  
Billion Market Potential

Source: Company reports.

Exhibit 15: NRX-101 DSMB and FDA recommendations (as of April 2023)

**Phase 2b/3 Trial for Suicidal Treatment-Resistant Bipolar Depression**

**The DSMB recommended that enrollment in the trial continue**

- The DSMB has reviewed unblinded interim data from the trial
- The Board found no futility signal at this stage of the trial; the failure to identify futility requires that an advantage, though not yet a statistically significant advantage, be seen
- Similarly, no safety signals were identified in association with NRX-101
- The DSMB will continue to monitor safety and efficacy in the trial
- ***Trial has been upgraded to a Phase 2b/3 study that may be used for a registrational filing should safety and efficacy be documented***

**FDA Approval Roadmap – Integrated Phase 2b/3 for Suicidal Treatment-Resistant Bipolar Depression (1)**

Given the guidance from FDA regarding a broader indication, the company plans further discussion with FDA on this pathway in a Breakthrough Therapy Designation meeting, planned for 2Q2023

This indication will effectively converge the initiated (not enrolling) Phase 3 Acute trial into the ongoing P2b/3 trial in Suicidal Treatment-Resistant Bipolar Depression

The company is evaluating changes to its registrational program for NRX-101 and will seek to consolidate patients originally expected to enroll in the in the ASIB study into the currently enrolling Phase 2b/3 trial.

Agreed upon path  
to submit  
rolling review  
**NDA in 2023**

**FDA Approval Roadmap – Integrated Phase 2b/3 for Suicidal Treatment-Resistant Bipolar Depression (2)**

This pathway would potentially allow registration of NRX-101 for Suicidal Treatment-Resistant Bipolar Depression, regardless of the mechanism of stabilization.

This broader indication may also offer significant advantages in commercialization of the product

Pathway would negate the need for a separate NDA for ketamine in Suicidal stabilization.

Data from the integrated trial are expected by 4Q 2023.

Agreed upon path  
to submit  
rolling review  
**NDA in 2023**

Source: Company reports.

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## Exhibit 16: Q1 2023 and Recent Business Highlights

- Enrollment continues in the Phase 2b/3 clinical trial evaluating NRX-101 in Suicidal Treatment-Resistant Bipolar Depression; data expected in 4Q 2023
- National educational campaign launched to further accelerate enrollment in
- Breakthrough Therapy Designation meeting for NRX-101 in Suicidal Treatment-Resistant Bipolar Depression with the U.S. FDA planned for 2Q 2023; on track to report topline clinical data in 4Q 2023
- Ended quarter with \$16.5 million in cash and cash equivalents

### First Quarter Corporate Updates

- In February 2023, the Company received notice of the issuance of a U.S. patent covering the lead formulation, NRX-101, a glycine site NMDA antagonist in clinical trials to treat bipolar depression with acute and subacute suicidality. This new patent covers the use of NRX-101 to treat patients suffering from depression, including bipolar depression or major depression (MDD) with or without suicidality and strengthens the Company's intellectual property position until at least 2033.
- In March 2023, the Company announced the close of a \$2.9 million registered direct offering. Participants were existing investors, and the Company anticipates using the proceeds to initiate its national treatment protocol and safety database for NRX-101 for treatment-resistant bipolar depression with risk of self-harm under an FDA expanded access protocol, and to advance its pipeline of life-saving therapeutics.
- The Company has continued to engage in a strategic conversation focused on funding the drug approval and commercialization. In parallel, the Company has established an ongoing dialogue with Streeterville Capital LLC, the Company's current debt lender, to modify the Company's current debt facility to best support the ongoing needs of the clinical trial.

Source: Company reports.

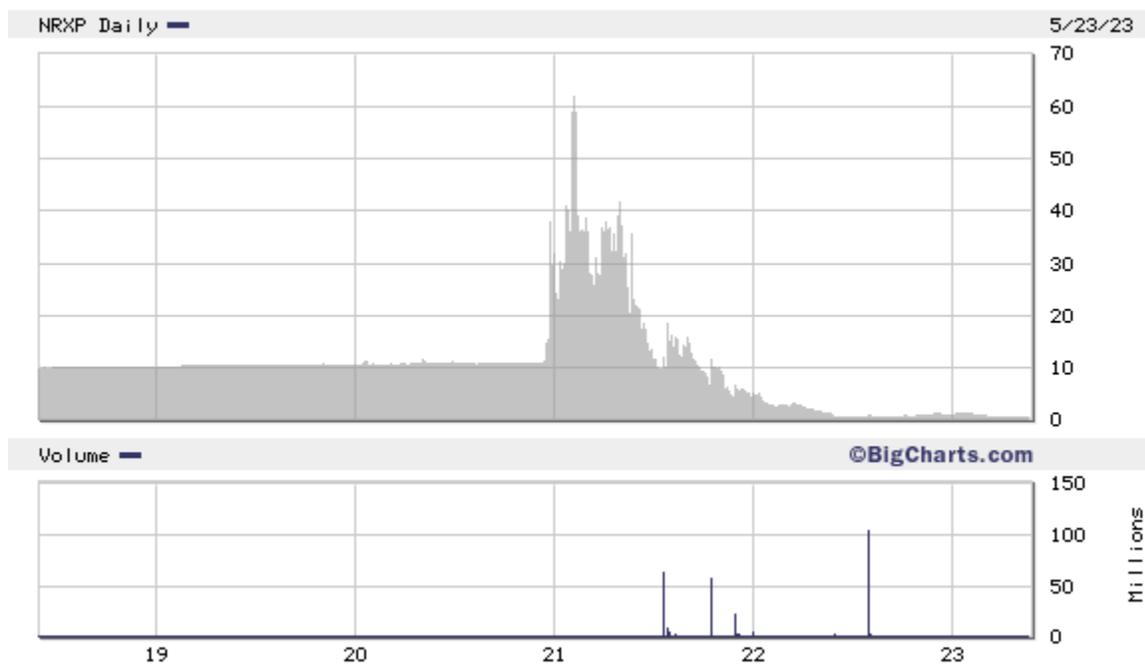
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### Exhibit 17: NRx Pharmaceuticals, Inc. Stock Price (5-Years)

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



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

### Exhibit 18: Consensus Expectations (as of May 16, 2023)

	Revenue (mil)			EPS	
	2023E	2024E		2023E	2024E
Q1 Mar	\$0E		Q1 Mar	\$(0.14)E	
Q2 Jun	\$0E		Q2 Jun	\$(0.13)E	
Q3 Sep			Q3 Sep		
Q4 Dec			Q4 Dec		
<b>Total</b>	<b>\$0E</b>	<b>\$0E</b>	<b>Total</b>	<b>\$(0.51)E</b>	<b>\$(0.35)E</b>

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

Source: Company report, Refinitiv, and Ascendant Capital Markets estimates

## FINANCIAL MODEL

### NRx Pharmaceuticals, Inc.

Income Statement (\$ mils)	Mar-21	Jun-21	Sep-21	Dec-21	2021	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
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
<b>Total Revenue</b>	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	2.9	4.7	6.3	6.4	20.3	5.5	3.0	4.1	4.5	17.0	3.7	4.0	4.0	4.0	15.7	4.3	4.3	4.3	4.3	17.0
General and administrative	2.1	12.5	13.8	46.6	74.9	10.2	6.6	5.0	5.5	27.4	5.8	5.0	5.0	5.0	20.8	5.0	5.0	5.0	5.0	20.0
Restructuring and other	20.6				20.6					0.0					0.0					0.0
Total operating expenses	25.6	17.1	20.1	53.0	115.8	15.7	9.6	9.1	10.0	44.4	9.4	9.0	9.0	9.0	36.4	9.3	9.3	9.3	9.3	37.0
<b>Operating income (loss)</b>	<b>(25.6)</b>	<b>(17.1)</b>	<b>(20.1)</b>	<b>(53.0)</b>	<b>(115.8)</b>	<b>(15.7)</b>	<b>(9.6)</b>	<b>(9.1)</b>	<b>(10.0)</b>	<b>(44.4)</b>	<b>(9.4)</b>	<b>(9.0)</b>	<b>(9.0)</b>	<b>(9.0)</b>	<b>(36.4)</b>	<b>(9.3)</b>	<b>(9.3)</b>	<b>(9.3)</b>	<b>(9.3)</b>	<b>(37.0)</b>
Interest income (expense)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0	0.1	0.1	0.2	0.2	(0.4)	(0.4)	(0.4)	(1.1)	(0.4)	(0.4)	(0.4)	(0.4)	(1.7)
Other income (expense)	0.1	(238.8)	(0.7)	6.3	(233.1)	2.3	2.6	(0.0)	(0.5)	4.3	(1.8)	0.0	0.0	0.0	(1.8)	0.0	0.0	0.0	0.0	0.0
Income before income taxes	(25.5)	(255.9)	(20.8)	(46.7)	(348.9)	(13.4)	(7.0)	(9.1)	(10.3)	(39.8)	(11.0)	(9.4)	(9.4)	(9.4)	(39.3)	(9.7)	(9.7)	(9.7)	(9.7)	(38.7)
Income taxes	0.0				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)	(25.5)	(255.9)	(20.8)	(46.7)	(348.9)	(13.4)	(7.0)	(9.1)	(10.3)	(39.8)	(11.0)	(9.4)	(9.4)	(9.4)	(39.3)	(9.7)	(9.7)	(9.7)	(9.7)	(38.7)
Nonrecurring/noncash adjustments		(12.5)			0.0					0.0					0.0					0.0
<b>Net income (pro forma)</b>	<b>(25.5)</b>	<b>(268.4)</b>	<b>(20.8)</b>	<b>(46.7)</b>	<b>(348.9)</b>	<b>(13.4)</b>	<b>(7.0)</b>	<b>(9.1)</b>	<b>(10.3)</b>	<b>(39.8)</b>	<b>(11.0)</b>	<b>(9.4)</b>	<b>(9.4)</b>	<b>(9.4)</b>	<b>(39.3)</b>	<b>(9.7)</b>	<b>(9.7)</b>	<b>(9.7)</b>	<b>(9.7)</b>	<b>(38.7)</b>
EBITDA																				
Shares, Basic	35.7	41.7	51.7	58.5	46.9	63.7	65.7	66.4	67.5	65.8	67.5	70.3	70.8	71.3	70.0	71.8	72.3	72.8	73.3	72.6
Shares, Diluted	35.7	42.5	51.7	58.5	46.9	63.7	65.7	66.4	67.5	65.8	67.5	70.3	70.8	71.3	70.0	71.8	72.3	72.8	73.3	72.6
EPS Basic (pro forma)	(\$0.71)	(\$6.43)	(\$0.40)	(\$0.80)	(\$7.44)	(\$0.21)	(\$0.11)	(\$0.14)	(\$0.15)	(\$0.61)	(\$0.16)	(\$0.13)	(\$0.13)	(\$0.13)	(\$0.56)	(\$0.13)	(\$0.13)	(\$0.13)	(\$0.13)	(\$0.53)
EPS Diluted (pro forma)	(\$0.71)	(\$6.32)	(\$0.40)	(\$0.80)	(\$7.44)	(\$0.21)	(\$0.11)	(\$0.14)	(\$0.15)	(\$0.61)	(\$0.16)	(\$0.13)	(\$0.13)	(\$0.13)	(\$0.56)	(\$0.13)	(\$0.13)	(\$0.13)	(\$0.13)	(\$0.53)
<b>Margins</b>																				
Gross margin																				
Research & development																				
General and administrative																				
Operating margin																				
Tax rate, GAAP																				
Net margin																				
<b>Y/Y % change</b>																				
Total Revenue																				
Gross margin					91%	88%	-37%	-34%	-31%	-16%	-33%	35%	-3%	-10%	-8%	16%	6%	6%	6%	9%
Research & development					555%	387%	-47%	-64%	-88%	-63%	-43%	-25%	0%	-9%	-24%	-14%	0%	0%	0%	-4%
General and administrative					125%	-39%	-44%	-55%	-81%	-62%	-40%	-6%	-2%	-10%	-18%	-2%	3%	3%	3%	2%
Operating income (loss)					574%	-47%	-97%	-56%	-78%	-89%	-18%	35%	4%	-9%	-1%	-12%	3%	3%	3%	-2%
Net income (loss)					392%	-70%	-98%	-66%	-81%	-92%	-23%	26%	-3%	-13%	-7%	-18%	0%	0%	0%	-5%

Source: Company reports and Ascendant Capital Markets estimates.

**NRx Pharmaceuticals, Inc.**

Balance Sheet (\$ mils)	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Assets</b>																
Cash and cash equivalents	13.3	13.4	38.9	27.6	40.2	24.5	18.2	20.1	16.5	14.7	8.9	5.2	(3.9)	(17.9)	(26.8)	(30.9)
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	0.3	5.1	6.4	5.1	3.4	7.9	6.6	5.7	5.3	5.3	2.3	2.3	2.3	2.3	2.3	2.3
Total current assets	13.6	18.5	45.2	32.7	43.6	32.4	24.8	25.8	21.8	19.9	11.2	7.4	(1.6)	(15.6)	(24.6)	(28.7)
Property and equipment, net										0.1	0.1	0.1	0.2	0.2	0.2	0.3
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total assets</b>	<b>13.6</b>	<b>18.5</b>	<b>45.3</b>	<b>32.7</b>	<b>43.6</b>	<b>32.4</b>	<b>24.8</b>	<b>25.8</b>	<b>21.8</b>	<b>20.0</b>	<b>11.3</b>	<b>7.6</b>	<b>(1.4)</b>	<b>(15.4)</b>	<b>(24.4)</b>	<b>(28.3)</b>
<b>Liabilities and stockholders' equity</b>																
Accounts payable	4.4	6.3	5.6	3.7	4.3	3.1	2.2	2.1	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
Accrued expenses	2.1	2.6	3.2	2.8	4.5	4.0	5.8	5.8	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1
Deferred income tax										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities		0.5	0.8	0.3	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	25.9	26.3	4.6	2.5				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short term debt	0.2	0.2	0.5	0.5	0.5			8.7	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2
<b>Total current liabilities</b>	<b>6.7</b>	<b>35.5</b>	<b>36.3</b>	<b>11.9</b>	<b>11.9</b>	<b>7.1</b>	<b>8.0</b>	<b>16.6</b>	<b>22.1</b>	<b>22.1</b>	<b>22.1</b>	<b>22.1</b>	<b>22.1</b>	<b>22.1</b>	<b>22.1</b>	<b>22.1</b>
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	12.0	12.0	7.0	7.0	12.0
Long term debt	0.5	0.5						1.8		0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total other liabilities</b>	<b>0.5</b>	<b>0.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.8</b>	<b>0.0</b>	<b>7.0</b>	<b>7.0</b>	<b>12.0</b>	<b>12.0</b>	<b>7.0</b>	<b>7.0</b>	<b>12.0</b>
Common stock	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.8	1.5	2.2	2.9	3.5	4.2	4.9
Additional paid-in capital	122.0	114.2	161.4	204.0	228.3	229.0	229.5	230.4	233.6	233.6	233.6	233.6	233.6	233.6	233.6	233.6
Retained earnings	(115.7)	(131.7)	(152.4)	(183.2)	(196.7)	(203.7)	(212.8)	(223.1)	(234.0)	(243.5)	(252.9)	(262.3)	(272.0)	(281.7)	(291.3)	(301.0)
Other										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accumulated other comprehensive income									0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>Total stockholders' equity</b>	<b>6.4</b>	<b>(17.4)</b>	<b>9.0</b>	<b>20.8</b>	<b>31.7</b>	<b>25.4</b>	<b>16.8</b>	<b>7.4</b>	<b>(0.3)</b>	<b>(9.0)</b>	<b>(17.7)</b>	<b>(26.5)</b>	<b>(35.5)</b>	<b>(44.4)</b>	<b>(53.4)</b>	<b>(62.4)</b>
<b>Total stockholders' equity and liabil</b>	<b>13.6</b>	<b>18.5</b>	<b>45.3</b>	<b>32.7</b>	<b>43.6</b>	<b>32.4</b>	<b>24.8</b>	<b>25.8</b>	<b>21.8</b>	<b>20.0</b>	<b>11.3</b>	<b>7.6</b>	<b>(1.4)</b>	<b>(15.4)</b>	<b>(24.4)</b>	<b>(28.3)</b>

**Balance Sheet Drivers**

	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Book & Cash Value (per share)	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Book Value per Share (diluted)	\$0.18	(\$0.41)	\$0.17	\$0.36	\$0.50	\$0.39	\$0.25	\$0.11	(\$0.00)	(\$0.13)	(\$0.25)	(\$0.37)	(\$0.49)	(\$0.61)	(\$0.73)	(\$0.85)
Cash per Share (diluted)	\$0.37	\$0.32	\$0.75	\$0.47	\$0.63	\$0.37	\$0.27	\$0.30	\$0.24	\$0.21	\$0.13	\$0.07	(\$0.05)	(\$0.25)	(\$0.37)	(\$0.42)
Net cash per Share (diluted)	\$0.35	\$0.30	\$0.74	\$0.46	\$0.62	\$0.37	\$0.27	\$0.14	\$0.06	\$0.04	(\$0.05)	(\$0.10)	(\$0.22)	(\$0.42)	(\$0.54)	(\$0.59)

Source: Company reports and Ascendant Capital Markets estimates

**NRx Pharmaceuticals, Inc.**

Cash Flow Statement (\$ mils)	Mar-21	Jun-21	Sep-21	Dec-21	2021	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
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
<b>Cash flow from operating activities</b>																				
Net income	(25.5)	(0.1)	(36.7)	(30.8)	(93.1)	(13.4)	(7.0)	(9.1)	(10.2)	(39.8)	(11.0)	(9.4)	(9.4)	(9.4)	(39.3)	(9.7)	(9.7)	(9.7)	(9.7)	(38.7)
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
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	0.0	0.0				0.0						0.0
Stock comp	0.4	9.1	9.5	42.6	61.6	1.3	1.0	0.5	0.8	3.6	0.7	0.7	0.7	0.7	2.8	0.7	0.7	0.7	0.7	2.8
Deferred income taxes					0.0					0.0					0.0	0.0	0.0	0.0	0.0	0.0
Change in fair value of warrant liability	(17.4)	16.2	(0.5)	(1.7)	(1.7)	(0.2)	(0.1)	0.0	0.5	0.3	1.8			1.8						0.0
Change in fair value of earnout cash liabil	0.4	0.4	(21.7)	(20.9)	(2.1)	(2.1)	(2.5)			(4.6)										
Writedowns and impairments					0.0					0.0					0.0					0.0
Other gains/losses	(0.1)		0.0	(0.0)	(0.1)					0.0					0.0					0.0
Other	21.4		(0.0)	0.0	21.4					0.0				0.0						0.0
<b>Changes in operating assets and liabilities:</b>																				
Accounts receivable	0.8		0.0	(0.0)	0.8					0.0					0.0					0.0
Prepaid expenses & other curre	(0.1)	(4.8)	(1.2)	1.2	(4.8)	1.7	(4.5)	1.3	0.8	(0.6)	0.5		3.0	3.5						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	0.0	0.0	0.0	0.0	0.0
Accounts payable	1.2	1.3	(0.7)	(1.9)	(0.0)	0.6	(1.2)	(0.9)	(0.1)	(1.6)	1.7			1.7						0.0
Accrued expenses	(1.2)	0.1	0.5	(0.3)	(0.9)	1.6	(0.5)	1.8	(0.0)	2.9	0.3			0.3						0.0
Other liabilities					0.0					0.0		7.0	0.0	5.0	12.0	0.0	(5.0)	0.0	5.0	0.0
<b>Net cash (used in) provided by</b>	<b>(3.0)</b>	<b>(11.4)</b>	<b>(12.0)</b>	<b>(11.3)</b>	<b>(37.7)</b>	<b>(10.4)</b>	<b>(14.8)</b>	<b>(6.3)</b>	<b>(8.3)</b>	<b>(39.8)</b>	<b>(6.1)</b>	<b>(1.7)</b>	<b>(5.7)</b>	<b>(3.7)</b>	<b>(17.3)</b>	<b>(9.0)</b>	<b>(14.0)</b>	<b>(9.0)</b>	<b>(4.0)</b>	<b>(35.9)</b>
<b>Cash flow from investing activities</b>																				
Purchases of property and equipment		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.1)	(0.1)	(0.0)	(0.0)	(0.1)	(0.2)
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
<b>Net cash used in investing activ</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.1)</b>	<b>(0.2)</b>
<b>Cash flow from financing activities</b>																				
Issuance of debt					0.0				10.0	10.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of debt		(1.1)	(0.2)	0.0	(1.3)		(0.5)			(0.5)					0.0					0.0
Issuance of stock	6.9	1.6	28.5	0.0	37.0	23.0	(0.3)	(0.0)	0.1	22.7	2.5	0.0	0.0	0.0	2.5	0.0	0.0	0.0	0.0	0.0
Proceeds from stock option exe	7.5		9.2	(0.0)	16.7				0.0	0.0					0.0					0.0
Other		11.1	(0.0)	0.0	11.1					0.0					0.0					0.0
Dividends and distributions					0.0					0.0					0.0					0.0
<b>Cash provided by (used in) fina</b>	<b>14.4</b>	<b>11.5</b>	<b>37.5</b>	<b>0.0</b>	<b>63.5</b>	<b>23.0</b>	<b>(0.9)</b>	<b>(0.0)</b>	<b>10.1</b>	<b>32.2</b>	<b>2.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Effect of exchange rate on cash					0.0					0.0					0.0					0.0
<b>Net increase (decrease) in cash</b>	<b>11.4</b>	<b>0.1</b>	<b>25.5</b>	<b>(11.3)</b>	<b>25.7</b>	<b>12.6</b>	<b>(15.7)</b>	<b>(6.3)</b>	<b>1.8</b>	<b>(7.6)</b>	<b>(3.5)</b>	<b>(1.8)</b>	<b>(5.7)</b>	<b>(3.7)</b>	<b>(14.9)</b>	<b>(9.1)</b>	<b>(14.0)</b>	<b>(9.0)</b>	<b>(4.1)</b>	<b>(36.1)</b>
<b>Beginning cash and equivalents</b>	<b>1.9</b>	<b>13.3</b>	<b>13.4</b>	<b>38.9</b>	<b>1.9</b>	<b>27.6</b>	<b>40.2</b>	<b>24.5</b>	<b>18.2</b>	<b>27.6</b>	<b>20.1</b>	<b>16.5</b>	<b>14.7</b>	<b>8.9</b>	<b>20.1</b>	<b>5.2</b>	<b>(3.9)</b>	<b>(17.9)</b>	<b>(26.8)</b>	<b>5.2</b>
<b>Ending cash and equivalents</b>	<b>13.3</b>	<b>13.4</b>	<b>38.9</b>	<b>27.6</b>	<b>27.6</b>	<b>40.2</b>	<b>24.5</b>	<b>18.2</b>	<b>20.1</b>	<b>20.1</b>	<b>16.5</b>	<b>14.7</b>	<b>8.9</b>	<b>5.2</b>	<b>5.2</b>	<b>(3.9)</b>	<b>(17.9)</b>	<b>(26.8)</b>	<b>(30.9)</b>	<b>(30.9)</b>

Source: Company reports and Ascendant Capital Markets estimates

## **ANALYST CERTIFICATION**

Each analyst hereby certifies that the views expressed in this report reflect the analyst's personal views about the subject securities or issuers. Each analyst also certifies that no part of the analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report. The analyst who prepared this report is compensated based upon the overall profitability of Ascendant Capital Markets, LLC, which may, from time to time, include the provision of investment banking, financial advisory and consulting services. Compensation for research is based on effectiveness in generating new ideas for clients, performance of recommendations, accuracy of earnings estimates, and service to clients.

## **NRx Pharmaceuticals, Inc.**

- Ascendant Capital Markets, LLC has received compensation for advisory or investment banking services from the company in the past 12 months.

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Risks to attainment of our share price target include balance sheet/liquidity risks, failure of product candidates to demonstrate safety and efficacy in clinical trials, failure to gain regulatory approvals, ability to commercialize product, failure to obtain suitable reimbursement, competition, changing macroeconomic factors, investor sentiment for investing in biotech stocks, and changes in consumer or government priorities for healthcare.

### Ascendant Capital Markets, LLC Rating System

**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.

**SELL:** We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

### Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of April 14, 2023)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	49	98%	18	37%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	50	100%	18	36%

### Other Important Disclosures

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