

August 22, 2025

NRx Pharmaceuticals: Raising Probability of Success on Ketamine Franchise; Target Price to \$34.0 from \$31.0

We are updating our model to reflect an increased probability of success for NRx's ketamine-based therapy (NRX-100) from 70% to 80%. This adjustment is driven by the FDA's expanded Fast Track designation covering all forms of suicidal depression, strengthening the regulatory case and commercial positioning for the program. As a result, our target price increases to \$34.0 from \$31.0.

NRx continues to make progress on multiple fronts. The company's proprietary preservative-free ketamine formulation and ongoing Citizen's Petition aimed at removing benzethonium chloride from the market could create both generic and innovative pathways, expanding exclusivity potential. The expanded Fast Track designation across 13M Americans with suicidal depression significantly increases the addressable market and supports our higher probability adjustment. Importantly, this progress positions NRx to compete directly with the \$750M generic ketamine segment and against branded peers that generated \$1.3B in 2024 sales.

The broader pipeline and corporate strategy remain intact. NRX-101 is advancing under Breakthrough Therapy Designation with a planned NDA submission for suicidal bipolar depression with akathisia. Meanwhile, the HOPE Therapeutics subsidiary is executing on its national clinic roll-up strategy, with transactions pending across Florida, the Mid-Atlantic, and Midwest. Management's expectation of up to \$100M in forward pro-forma revenue from these acquisitions by year-end 2025, alongside a \$6.5M equity investment from long-term healthcare investors, provides visibility to near-term cash flows and enhances the commercialization platform for NRx's neuroplastic therapies.

The next catalyst for NRx's ketamine product: NRX-100, is the pending FDA decision on its regulatory filings, including the application under the Commissioner's National Priority Voucher (CNPV) program, which could shorten the review period to as little as one to two months. In parallel, the company has submitted an Abbreviated New Drug Application with a request for priority review, providing a secondary regulatory path. Either decision, expected before year-end 2025, would be pivotal in determining the speed at which NRX-100 can reach the market and establish a competitive position in both the generic and innovative ketamine segments.

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), Discounted Earnings Per Share (dEPS), and Sum-of-the-Parts (SOP). We use a 30% discount rate. This is in addition to our revenue models' 30% risk cut or 70% Probability of Success POS factor (now 80% for Ketamine). The results of these three models are equal-weighted, averaged, and rounded to the nearest whole number to provide a 12-month PT of \$34.00.

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	\$34.00
Price	\$2.62
Average Daily Volume (000)	286
52-Week Range (\$)	\$1.10–\$6.01
Market Cap (M)	\$62
Enterprise Value (M)	\$69
Book Value	(1.59)
Dividend Yield	0.0%
Cash (M)	\$3
Qrtly Burn Rate (M)	\$(3)

ESTIMATES

	2025E	2026E	2027E
Revenue (M)	\$17.5	\$241.4	\$554.5
prev:	-	\$180.3	\$518.6
Total Expenses (M)	\$17	\$48	\$85
prev:	\$26	\$61	\$121
GAAP EPS	\$(1.50)	\$4.54	\$10.63
prev:	\$(1.73)	\$2.80	\$8.99

One Year Performance Chart



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

NRx Pharmaceuticals: Income Statement																	
000 : YE December 31	2023A	2024A	1Q25A	2Q25A	3Q25E	4Q25E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	
Product sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
NRX-101 for BPD - Akathisia	-	-	-	-	-	-	-	55,000	210,933	351,556	1,054,667	1,054,667	1,054,667	1,054,667	1,054,667	1,054,667	
NRX-100 (IV Ketamine)	-	-	-	-	-	-	-	150,000	287,371	714,685	1,187,011	1,203,975	1,480,937	1,480,937	1,480,937	1,480,937	
PTSD / Pain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Product Sales	-	-	-	-	-	-	-	205,000	498,304	1,066,241	2,241,678	2,258,643	2,535,604	2,535,604	2,535,604	2,535,604	
Clinic-Psyc Center Revenues Net to Parent	Clinic-Psyc Center Revenues Net to Parent				500	1,000	17,500	36,400	56,238	77,234	98,473	120,531	139,347	149,019	149,019	158,871	
Total Revenues	-	-	-	-	500	1,000	17,500	241,400	554,542	1,143,475	2,340,151	2,379,173	2,674,952	2,684,624	2,684,624	2,694,476	
Expenses																	
Product COGS								20,500	49,830	106,624	224,168	225,864	253,560	202,848	202,848	152,136	
COGS %								10%	10%	10%	10%	10%	10%	8%	8%	6%	
Research and Development	13,371	6,199	804	987	1,500	1,500	4,791	12,500	15,000	18,000	19,800	27,720	38,808	58,600	64,460	70,906	
General and Administrative	14,216	13,505	2,943	2,743	2,800	3,200	11,686	15,000	20,000	25,000	30,000	34,500	36,225	36,587	36,953	37,323	
Settlement Expense	250	(1,202)	100				100										
Total Operating Expenses	27,837	18,502	3,847	3,730	4,300	4,700	16,577	48,000	84,830	149,624	273,968	288,084	328,593	298,036	304,262	260,365	
Loss from Operations	(27,837)	(18,502)	(3,847)	(3,730)	(3,800)	(3,700)	(15,077)	193,400	469,712	993,851	2,066,183	2,091,089	2,346,358	2,386,588	2,380,362	2,434,111	
Other (income) Expenses																	
Gain on extinguishment of debt																	
Interest income	(494)	(44)															
Interest expense - Convertible note	120	1,079															
Change in fair value of warrant liability	2,707	2,654															
Change in fair value of Earnout Cash liability	(20)	2,935															
Total other (income) expense		(6,624)	1,665	13,851													
Net Loss	(30,150)	(25,126)	(5,512)	(17,581)	(3,800)	(3,700)	(30,593)	193,400	469,712	993,851	2,066,183	2,091,089	2,346,358	2,386,588	2,380,362	2,434,111	
Deemed Dividend (& other)	(3)	-	-	-	-	-	-	9,670	37,577	99,385	371,913	501,861	656,980	715,976	737,912	803,257	
Tax Rate	0%	0%	0%	0%	0%	0%	0%	5%	8%	10%	18%	24%	28%	30%	31%	33%	
GAAP Net Income (loss)	(30,147)	(11,881)	(5,512)	(17,581)	(3,800)	(3,700)	(30,593)	183,730	432,135	894,466	1,694,270	1,589,228	1,689,378	1,670,612	1,642,450	1,630,854	
GAAP-EPS	(0.40)	(1.29)	(0.34)	(0.98)	(0.10)	(0.09)	(1.50)	4.54	10.63	21.91	41.33	38.62	40.89	40.27	39.49	39.12	
GAAP EPS (dil)	(0.28)	(1.12)	(0.34)	(0.98)	(0.05)	(0.05)	(0.64)	2.33	5.45	11.24	21.20	19.80	40.89	40.27	39.49	39.12	
Wgtd Avg Shrs (Bas) ' 000	75,762	10,644	16,410	17,934	40,000	40,400	28,686	40,501	40,663	40,826	40,990	41,154	41,319	41,484	41,588	41,692	
Wgtd Avg Shrs (Dil) '000	109,406	10,644	16,410	17,934	78,000	78,780	47,781	78,977	79,294	79,611	79,930	80,250	80,572	80,895	81,097	81,300	

Source: Company reports and DBoralCapital

Important Disclosures

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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	63	92.65	18	28.57
HOLD	5	7.35	2	40.00
SELL	0	0.00	0	0.00

NRx Pharmaceuticals, Inc. Rating History as of 08/20/2025

