

Action Summary – 20 June 2023

Analyst Theodore R. O'Neill *is initiating coverage of NurExone Biologic Inc.*

- **We are initiating coverage of NurExone Biologic Inc. with a Buy rating and a C\$4.00 price target.** NurExone Biologic Inc. through its fully owned subsidiary Israel-based biopharmaceutical technology company NurExone Biologic Ltd is developing an off the shelf, non-invasive unique and novel treatment for the reversal or reduction of paralysis following spinal cord injury ("SCI") and traumatic brain injury, using proprietary Exosome based patented technology.
- **Addressing an unmet medical need in a US\$2.6B market.** According to Research and Markets, the global market for Spinal Cord Trauma Treatment was estimated at US\$2.6 Billion in 2022 and is projected to reach US\$3.5 Billion by 2030, growing at a CAGR of 3.4% over the analysis period 2022-2030. Surgery, one of the segments analyzed in the report, is projected to reach US\$1.6 Billion by the end of 2030.
- **Developing and building a patent portfolio of both treatments and technology platforms that could address added markets.** It currently holds the worldwide right to patents and an ongoing development agreement with leading universities in Israel.
- **Shares appear to be priced significantly below absolute and comparative metrics.** While our C\$4.00 price target is based on discounted future earnings, a comparable analysis looking at biopharma companies co-developing specialized treatment platforms and treatments suggest the share price at the time of breakeven would be >C\$6.00.

6/16 Closing price: C\$0.22	Market cap: C\$9.5 million	Multiple of book: NMF	EV/2024 Sales: NMF
Shares outstanding: 43 million	Insider ownership: 9%	Avg. trading volume: <10,000	Dividend/Yield: NA/NA

GAAP estimates (EPS in dollars – Revenue in USD millions)

Period	EPS	Revenue	Op Margin
1Q22A	(\$0.08)	\$0.00	
2Q22A	(\$0.12)	\$0.00	
3Q22A	(\$0.03)	\$0.00	
4Q22A	<u>(\$0.03)</u>	<u>\$0.00</u>	
FY22A	<u>(\$0.22)</u>	<u>\$0.00</u>	<u>NMF</u>
1Q23A	(\$0.02)	\$0.00	
2Q23E	(\$0.02)	\$0.00	
3Q23E	(\$0.02)	\$0.00	
4Q23E	<u>(\$0.02)</u>	<u>\$0.00</u>	
FY23E	<u>(\$0.06)</u>	<u>\$0.00</u>	<u>NMF</u>
1Q24E	(\$0.02)	\$0.00	
2Q24E	(\$0.02)	\$0.00	
3Q24E	(\$0.02)	\$0.00	
4Q24E	<u>(\$0.02)</u>	<u>\$0.00</u>	
FY24E	<u>(\$0.07)</u>	<u>\$0.00</u>	<u>NMF</u>

Note: Numbers may not add due to rounding or share count. See our full model at the back of this report.

Cash balance (in USD millions)

• 2021A	• \$2.23
• 2022A	• \$2.52
• 2023E	• \$1.86
• 2024E	• \$0.95

Debt (in USD millions)

• 2021A	• \$0.00
• 2022A	• \$0.00
• 2023E	• \$0.00
• 2024E	• \$0.00

Risks/Valuation

- Risks include Highly regulated and competitive business, commercial development and marketing.
- Our C\$4.00 target is derived using a discounted future earnings model.

Company description: NurExone Biologic Inc. is a TSX Venture Exchange-listed pharmaceutical company that is developing a platform for biologically guided ExoTherapy to be delivered, non-invasively, to patients who suffered traumatic spinal cord injuries.

Figure 1 – NurExone Biologic Inc. - Trading snapshot



Source: FactSet

Investment Thesis

We are initiating coverage of NurExone Biologic Inc. with a Buy rating and a C\$4.00 price target. NurExone Biologic Inc. is an Israel-based biopharmaceutical technology company that is developing an off the shelf, non-invasive unique and novel treatment for the reversal or reduction of paralysis following spinal cord injury ("SCI") and traumatic brain injury, using proprietary Exosome based patented technology.

Addressing an unmet medical need in a US\$2.6B market. According to Research and Markets, the global market for Spinal Cord Trauma Treatment was estimated at US\$2.6 Billion in 2022 and is projected to reach US\$3.5 Billion by 2030, growing at a CAGR of 3.4% over the analysis period 2022-2030. Surgery, one of the segments analyzed in the report, is projected to reach US\$1.6 Billion by the end of 2030.

Developing and building a patent portfolio of both treatments and technology platforms that could address additional markets. It currently holds the worldwide right to patents and an ongoing development agreement with leading universities in Israel. NurExone's exosome-based patent technology, ExoTherapy, is a unique treatment for curing paralysis following a spinal cord injury. ExoTherapy was conceptually demonstrated in animal studies at the Technion, Israel Institute of Technology. NurExone is translating the treatment to humans, and the Company holds an exclusive worldwide license from the Technion and Tel Aviv University for the development and commercialization of the technology.

Shares appear to be priced significantly below absolute and comparative metrics. While our C\$4.00 price target is based on discounted future earnings, a comparable analysis looking at biopharma companies co-developing specialized treatment platforms and treatments suggest the share price at the time of breakeven would be >C\$6.00.

Valuation Methodology

The value of NRX could come from multiple avenues. It could be acquired, form partnerships, license products or technology. We believe NRX is undervalued, and we support that belief with two valuation techniques: discounted future earnings and sales metrics relative to peers. For the purpose of determining our price target we use a discounted future earnings model. Depending on the regulatory approval process, the timing of the first revenues may be this year or next. The following valuation techniques are being used:

- 1) The discounted value of all future earnings, used for our price target (see Figure 2)
- 2) Valuation based on peer sales metrics (see Figure 3)

Discounted Future Earnings – Basis for Price Target

Our 12-month price target of C\$4.00 is based on a discounted earnings model, which is calculated in USD because that is how the company reports results and then converted to C\$. Figure 2 shows the implied value of all future earnings discounted at 12%. It is based on reaching breakeven in 2026 and implies a stock value of \$2.56, which we round to \$3.00 or C\$4.00 at the current exchange rate.

Figure 2 – NurExone Biologic Inc. – US\$ Discounted Future Earnings

Discounted Earnings:		\$2.56
Year	EPS	Discounted EPS
2023	(0.06)	(0.06)
2024	(0.07)	(0.06)
2025	(0.05)	(0.04)
2026	0.00	0.00
2027	0.10	0.06
2028	0.20	0.11
2029	0.28	0.14
2030	0.42	0.19
2031	0.44	0.18
2032	0.46	0.17
Terminal Value:		1.87

Source: Litchfield Hills Research LLC

Valuation Relative to Peers

To develop peer comparisons, we selected companies in the same general markets but that also had or were developing a drug delivery platform and had a market cap <\$200MM, see Figure 8. We included companies engaged in exosome research/delivery platforms or other types of platforms. If we compare NRX to a simple average of its peers, the shares sell at a significant discount on the one measure we can use for comparison: Sales multiple. For this analysis, we take the current one-year out sales multiple (2024 peer average sales multiple of 27.55) and apply it as if it were 2025 and look into 2026 when the company could reach breakeven. We assume the company will raise more capital and the share count will rise to 60MM. The implied share price is \$4.59 (C\$6.06), see Figure 3. This supports our C\$4, twelve-month price target. If the company were to reach C\$4 in the next 12-month and C\$6.06 in 2025, that would be a 52% return from 2024 to 2025. The companies we used in Figure 8 are in similar lines of business although none of them is a perfect match.

Figure 3 – NurExone Biologic Inc. – Peer Driven Valuation

Average Out-year 2024 Sales Multiple for Peers	27.55
NRX potential 2026 revenue	USD\$10MM
Implied Market Cap in 2023 at the Average out-year sales multiple	\$275.5MM
NRX 2024 Estimated share count	60MM
Implied Share Price	USD\$4.59/C\$6.06

Source: Litchfield Hills Research LLC and Refinitiv Eikon

Guidance and Financial Forecasts

The company provides no guidance. The company is pursuing a multi-prong strategy for growth including potential acquisition, commercialization, partnerships and joint ventures. Our forecasts assume there is no revenue before 2023 and that the company will have a capital raise sometime in the next 12 months. As of the last filing, the cash balance was ~\$1.6MM.

Company Overview

NurExone Biologic Inc. through its fully owned subsidiary Israel-based biopharmaceutical technology company NurExone Biologic Ltd is developing an off the shelf, non-invasive unique and novel treatment for the reversal or reduction of paralysis following spinal cord injury ("SCI") and traumatic brain injury, using proprietary Exosome based patented technology.

In May 2022, NurExone Biologic went public through a Reverse Takeover Transaction (RTO) with EnerSpar Corp. and is now listed on the Toronto Stock Exchange Venture (TSXV), under the symbol "NRX" and on the Frankfurt Stock Exchange, under the symbol "J90". As part of the RTO, the company raised USD\$7.98MM.

Post the RTO transaction, the company continued its business as a pharmaceutical technology company developing a unique treatment for the reversal or reduction of paralysis following a spinal cord injury using exosome-based patent technology. NurExone's mission is to "revolutionize recovery from nervous system injuries by regenerating and rewiring of neurons."

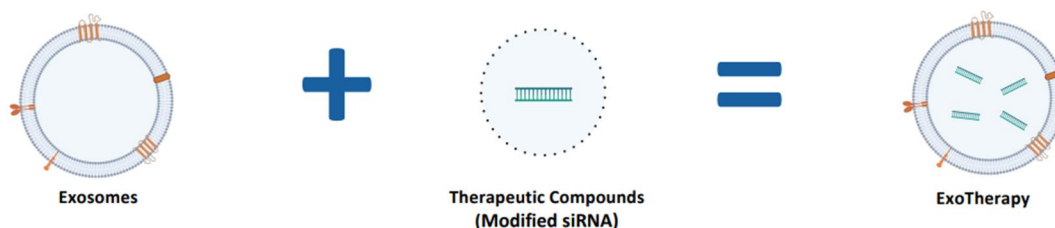
Exosomes are nano-sized, naturally occurring particles in the body, secreted by cells, having a unique ability to ferry "cargo" to specific cells and inflamed tissue while navigating extracellular spaces and penetrating cell membranes.

NurExone operates according to two business lines – Development of the first exosome-based therapy for acute Spinal Cord Injuries (SCI). In parallel, the company plans to monetize its proprietary exosome technology and production platform through licensing to the global biopharmaceutical industry for other diseases and indications.

Two key differentiators for NurExone's exosome-based technology are that exosomes can be administered non-invasively, through the nose, and are considered to have limited immunogenicity along with an off-the-shelf and personalized treatment. To approach the SCI treatment, NurExone's primary asset technology is its drug delivery system, ExoTherapy advanced platform for the production and loading of exosomes (which is integrated in a product named ExoPTEN, comprising unique and proprietary siRNA-PTEN and Exosomes). NurExone has obtained an exclusive worldwide license from the Technion and Tel Aviv University to develop and commercialize the exosome technology that has been under development for 7+ years (see Figure 4).

Figure 4 – NurExone Biologic Inc. – Schematic ExoTherapy

Leveraging exosomes to produce ExoTherapy

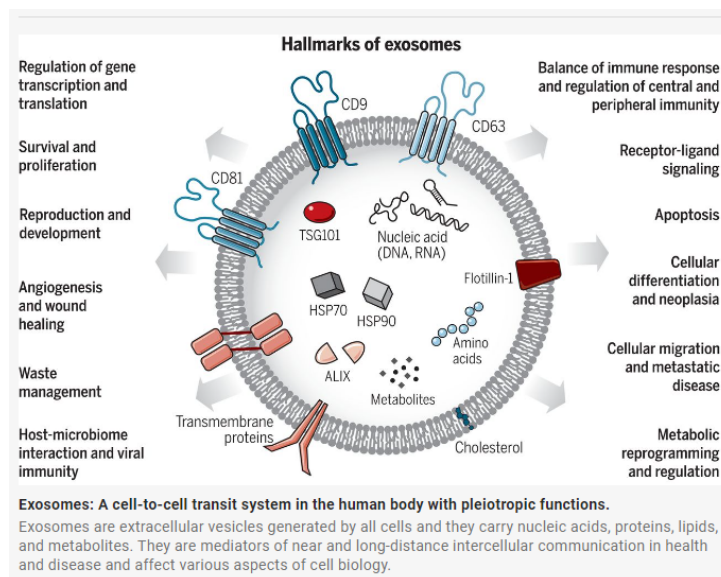


Source: Company presentation, May 2023,

Product Development

NurExone's research and development activities are based in Israel at the Technion Research and Development Foundation Ltd. ("Technion" or "TRDF"). The breakthrough treatment is based on licensed technologies from TRDF and the Tel Aviv University. In that study, conducted on rats at the TRDF, it showed spinal cord nerve regeneration following a complete lesion of the spinal cord; the treated rats had improvement of their functional capabilities, allowing even some of the rats to walk again. It is expected that this technology, after being approved in clinical trials, can be used in various conditions such as SCI, brain trauma injury and potentially other brain and neurological indications. Exosomes are natural membrane vesicles, secreted by various cells. They carry proteins, lipids, and genetic materials, facilitating intercellular communication (see Figure 5).

Figure 5 – NurExone Biologic Inc. – Hallmarks of Exosomes



Source: **The biology, function, and biomedical applications of exosomes**, *Science*, 7 Feb 2020, Vol 367, Issue 6478

When intra-nasally administered, exosomes can pass the blood brain barrier (“BBR”) and are better retained in injury sites than when delivered intravenously. Moreover, they can be loadable with an array of therapeutic cargos for specific diseases. The Exosome-loaded with siRNA-PTEN research at the Technion and Tel-Aviv University was conducted over seven years, including testing the use of intranasal administration of exosomes driven from mesenchymal stem cells loaded with PTEN siRNA. Testing targeted a complete spinal cord lesion in rats, successfully demonstrating significant functional recovery. The technology is successfully proven in a preclinical study, demonstrating that intranasal administration of ExoPTEN led to significant motor improvement, sensory recovery, and faster urinary reflex restoration. Pursuant to agreements with Technion Research and Development Foundation Ltd. (“Technion” or “TRDF”) and Ramot at Tel Aviv University Ltd (“Ramot”), the licensors of the technology, the Company has an exclusive worldwide license regarding the treatment for to improve the functional recovery of SCI patients using exosomes (membrane-bound extracellular vesicles).

Patent and Technology Licensing Agreement

Pursuant to the license, the Company is responsible for the patent application, development, clinical studies, and commercialization of the technology as a licensor and/or sub-licensor. The technology comprises provisional patents owned by TRDF and Ramot for the use of certain intellectual property relating to the Exosomes initiative. The license term is on a product-by-product and a country-by-country basis until the later of 15 years following a first commercial sale of a product in such country or the date of expiry of the last of the licensed patents in such country. In consideration for the exclusive worldwide license agreement:

- NurExone Ltd. shares were issued to Ramot (which, following the completion of the RTO were equivalent to 1,683,000 Common Shares) and NurExone Ltd. warrants to purchase NurExone Ltd. shares were issued to TRDF. The warrants were exercised prior to the completion of the RTO in February 2021 for an aggregate amount of US\$16,000 (the shares of NurExone Ltd. issued pursuant to the exercise of the warrants were equivalent to 3,927,000 Common Shares following the completion of the RTO).

- The Company paid a one-time license fee of US\$40,000 to TRDF.
- The Company shall pay TRDF the following payments:
 - 4.25% on net sales of products sold by the Company or its affiliates; and
 - 50% of the amounts received by the Company or its affiliates on account of sales of products by sublicensees, but in any case, not less than 2% and not more than 4.25% of the net sales of the sublicensee.
 - A minimum royalty payment of US\$20,000 payable as of the 3rd anniversary, which shall increase by 30% every year, to a limit of US\$50,000.
 - The Company shall also pay sublicense fees at the rate of 16%. The Company has engaged Prof. Shulamit Levenberg from TRDF and Prof. Daniel Offen from Ramot, to be part time employees of the company signing part-time employment agreements, to continue working with NurExone's team in developing and commercializing this initiative.

Current IP Portfolio

The most recent patent, #11648260, issued 16 May 2023, continues the process of protecting its intellectual property. This most recent patent granted covers pharmaceutical compositions comprising membrane vesicles, including extracellular vesicles including those referred to as exosomes, loaded with an exogenous Phosphatase and tensin homolog (PTEN) inhibitor. Methods of treating neurological diseases, disorders or conditions using extracellular vesicles are provided. Isolated extracellular vesicles loaded with an exogenous Phosphatase and tensin homolog (PTEN) inhibitor are provided as well.

In addition, the NurExone IP portfolio contains six patent families in different examination stages.

MARKET OPPORTUNITIES

Two markets that are crucial drivers for NurExone's business are the Spinal Cord Injury market and the Exosome Diagnostic and Therapeutic market. The acute Spinal Cord Injury market is driven by higher incidences of spinal injuries and lower-back pain across the globe. According to the World Health Organization, the incidences are estimated to be 40 to 80 new cases per million population per year, based on quality country-level incidence studies of SCI from all causes. This amounts to 250,000 and 500,000 new patients globally suffering from spinal cord injuries. The average annual expense and estimated lifetime costs which are directly attributable to SCI are a function of education, neurological impairment, and pre-injury employment history.

Exosome Diagnostic and Therapeutic markets also appear promising due to their advantages as compared to the traditional methods of diagnosis and therapeutics. The Exosomes have diverse biochemical potential allowing participation in multiple biochemical and cellular processes. This is a crucial attribute in the treatment of complex diseases with multiple secondary injury mechanisms, such as Traumatic Brain Injury or Spinal Cord Injury.

Lack of infrastructure and comparable theories are factors limiting the growth of this market. Here is where NurExone's ExoTherapy platform will gain a competitive advantage having the potential to significantly improve patient outcomes and dynamics for SCI treatment.

ExoPTEN technology: Offering a competitive advantage.

NurExone is one of the few publicly listed companies that use exosome-based technology. ExoPTEN is the first product of the ExoTherapy system which is designed to treat acute spinal cord injuries. According to some pre-clinical studies, an off-the-shelf therapy for non-invasive administration shortly after spinal cord trauma bears high potential. NurExone's ExoPTEN, which would not require personalization, is expected to reduce damage from a spinal cord injury and improve the chance of functional recovery. It aims to recover function after any acute or traumatic SCI. Introducing any level of recovery, partial or complete, would bring significant relief to the patient and direct improvement to their quality of life. As per the most recent preclinical trials, ExoPTEN demonstrated effective treatment of 75% of paralyzed rats suffering from spinal cord injuries. It has shown promising results in laboratory studies for reversing paralysis in rats. Figure 6 shows the path to clinical trials.

Figure 6 – NurExone Biologic Inc. – ExoPTEN Timeline



Source: Company presentation, May 2023

The competitive advantages of the ExoPTEN technology are highlighted in Figure 7.

Figure 7 – NurExone Biologic Inc. – ExoPTEN Comparison

	Intranasal ExoPTEN Technology	Autologous Stem Cell	Allogeneic Stem Cell	Epidural Electrical Stimulation
Potential to repair full transection	✓	✓	✓	✗
Immune evasion	✓	✓	✗	✓
Off the shelf use	✓	✗	✓	✓
Non invasive	✓	✗	✗	✗

Source: NurExone Website

Key recent developments

NurExone aims at quality collaborations with industry players for the development and launch of ExoTherapy-based products for other Central Nervous systems. In addition, it will pursue licensing of siRNA-PTEN and the ExoTherapy Platform for a wide variety of indications and diseases. Some impactful strategic updates announced by the company recently include:

- Letter of Intent (LOI) for collaboration with Nanometrix (<https://www.nanometrix.bio/>)- Under the collaboration, NurExone's exosomes and cargo samples will be processed and analyzed by Nanometrix, a U.K.-based nanoparticle analysis company. It will use its proprietary **Artificial Intelligence (AI) software to achieve detailed molecular profiling** of the exosomes and quantify the information which was difficult to reach.
- LOI for International Strategic Collaboration with denovoMATRIX (<https://www.denovomatrix.com/>)- Through this collaboration, NurExone aims to **use denovoMATRIX's advanced screenMATRIX platform to optimize the manufacturing processes** of the non-invasive NurExone's ExoTherapy. denovoMATRIX GmbH is a leading German-based developer of innovative technologies which enable cell therapies.
- Collaboration with Polyriзон (<https://polyriзон-biotech.com/>), an Israeli biotech company - NurExone will leverage Polyriзон's advanced Trap and Target platform for **highly efficient intranasal delivery of ExoTherapy to patients** with traumatic spinal cord injuries and other treatments.
- A **growing intellectual property (IP) portfolio** adding to NurExone's products and innovations:
 - Material Transfer Agreement with Yisum Research Development for the transfer of certain biological, chemical, and other tangible materials. Materials will be used for cutting-edge molecular research and NurExone can opt to receive an exclusive license to the jointly owned results and related intellectual property.
 - On 16 May 2023, the US Patent and Trademark Office issued patent 11648260 that covers and protects Exo-PTEN technology, drug composition, and methods for non-invasive intranasal administration of exosome-based treatment. Other items in its portfolio include:
 - 2 Patent Cooperation Treaty (PCT) on the production and composition of matter of exosomes
 - 4 provisional patents on loading technique and siRNA target sequences

Competition

NurExone operates in highly competitive segments of the biotechnology and biopharmaceutical markets and there is no clear competitor with the same product portfolio. For a detailed description of the comparables we used, please see Appendix A.

Management

NurExone Biologics is led by CEO, Dr. Lior Shaltiel, an awarded scientist with extensive multidisciplinary international experience. The company's other key team members include Dr. Lyora Aharonov, R&D Director and an expert in biological research. The company's scientific advisory board is led by world-renowned Prof. Shulamit Levenberg and Prof. Nahshon Knoller, the former head of the neurosurgery department at Israel's largest hospital, who has led three clinical spinal cord injury studies.

Dr. Lior Shaltiel, Ph.D., Chief Executive Officer & Director



Dr. Shaltiel is an entrepreneur and an award-winning scientist with extensive multidisciplinary international experience, specializing in chemical engineering, molecular biology, electrophysiology, pharmacology, and drug delivery systems. Lior has worked in several nano-drug delivery companies and has worked as a VP and Partner at a boutique Chinese investment bank operating in Israel, for mapping the investment landscape and opportunities in the Israeli pharmaceutical industry. Lior is the initiator and head of the BioMed-MBA program at Hebrew University.

Eran Ovadya, MBA, CFO



Mr. Ovadya brings nearly two decades of broad experience in corporate finance, accounting, M&A transactions, IPOs, and RTOs. Eran has a professional track record from 1st tier global corporations and significant expertise in public life-science and publicly traded companies. Prior to joining NurExone, Eran supplied outsourced CFO services to a variety of companies including Silenseed, VVT Medical, Procore, Forrest Innovations, Cannibble and more. Prior to that, Eran served for over a decade in a variety of finance roles for biotech companies including Gamida Cell, West pharma Israel, Omrix Biopharmaceuticals, a division of Ethicon Biosurgery, a Johnson & Johnson company, Macrocare, and Leap Therapeutics. With these companies and others, Eran played an integral role in NASDAQ IPOs and RTO processes. Eran holds an MBA, specializing in financing, and a BA in accounting & economics from the

Open University, Israel.

SCIENTIFIC ADVISORY BOARD

Prof. Shulamit Levenberg



Prof. Levenberg is the former Dean of the Biomedical Engineering Department at the Technion. She currently serves as the director of the Technion Center for 3D Bioprinting and The Rina & Avner Schneur Center for Diabetes Research. She earned a Ph.D. at the Weizmann Institute of Science, where she focused on cell adhesion dynamics and signaling, and pursued her post-doctoral research in tissue engineering at MIT, in the lab of Professor Robert Langer. She has authored over 100 publications and presented her work at over 100 international conferences.

Prof. Nahshon Knoller, MD, Head of the Neurosurgery Department at Sheba



Dr. Knoller established the General Trauma Service at the Sheba Medical Center (Tel Hashomer) and headed it until 1997. At the same time, he joined the Neurosurgery Department and has been promoting innovative head and spine injuries. He was appointed as a Director of the Spine Surgery Unit in 2000, and since then, he treats and diagnoses the entire range of spine and head pathologies. A graduate of the Medical School of the Hebrew University of Jerusalem, Dr. Knoller completed his residency in neurosurgery at Sheba Medical Center, Tel-Hashomer.

Figure 8 – NurExone Biologic Inc. – Comp Table

FactSet Ticker	Company Name	Closing Price	Market Cap \$MM	EV \$MM	2024 Consensus Multiples		
					Market Cap / Sales	EV /Sales	Price to Book
ZVRA-US	Zevra Therapeutics, Inc.	\$5.82	197	119	4.76	2.88	1.85
XOMA-US	XOMA Corporation	\$17.18	197	152	11.22	8.74	1.70
ANVS-US	Annovis Bio Inc	\$15.20	137	108			3.87
RVPH-US	Reviva Pharmaceuticals Holdings, Inc.	\$6.49	134	131			7.06
VXRT-US	Vaxart, Inc.	\$0.89	121	76	69.85	41.02	1.17
CAPR-US	Capricor Therapeutics, Inc.	\$4.73	120	80	1.00	0.65	8.27
BCLI-US	Brainstorm Cell Therapeutics Inc.	\$2.62	103	98	5.16	4.87	
MTNB-US	Matinas BioPharma Holdings, Inc.	\$0.37	81	60	161.84	119.79	2.97
MOC-PL	Molecure SA	\$5.68	80	69	120.57		3.70
MARI-AT	Marinomed Biotech AG	\$47.53	72	88	2.78	3.40	
ASMB-US	Assembly Biosciences, Inc.	\$1.08	56	(15)			0.77
INNO-CA	InnoCan Pharma Corporation	\$0.21	53	49			6.20
RLF-CH	RELIEF THERAPEUTICS Holding AG	\$3.71	52	23	1.16	0.52	0.91
COYA-US	Coya Therapeutics, Inc.	\$5.03	50	34			
SNTI-US	Senti Biosciences, Inc.	\$1.03	45	7	22.34		0.49
GRNA-US	GreenLight Biosciences Holdings, PBC	\$0.29	44	89	2.52	4.90	3.72
SABS-US	SAB Biotherapeutics, Inc.	\$0.88	44	36	10.05	7.63	0.96
IIQ-AU	Inoviq Ltd	\$0.35	33	25			1.27
VBIV-US	VBI Vaccines, Inc.	\$2.66	23	699	1.55	47.50	1.57
LMNL-US	Liminal BioSciences Inc.	\$6.60	20	2			0.38
ALBT-US	Avalon GloboCare Corp.	\$1.97	20	44			23.99
VBLT-US	Vascular Biogenics Ltd.	\$0.24	17	(8)			0.37
OCEL-US	Organicell Regenerative Medicine, Inc.	\$0.01	15	14			21.25
BWV-US	Blue Water Biotech, Inc.	\$0.79	13	(9)	25.15		0.75
MSCL-CA	Satellos Bioscience Inc	\$0.41	12	16			2.73
CING-US	Cingulate, Inc.	\$1.00	12	15			2.91
RENE-GB	ReNeuron Group plc	\$0.11	6	(2)	0.39	(0.16)	
NBSE-US	NeuBase Therapeutics Inc	\$0.18	6	(2)			0.56
EVOK-US	Evoke Pharma, Inc.	\$1.60	5	2	0.52	0.21	2.19
EX1-AU	Exopharm Ltd.	\$0.01	3	1			2.32
Average					27.55	18.61	4.00

Source: Litchfield Hills Research LLC and FactSet

Figure 9 – NurExone Biologic Inc. – Income Statement (US\$000)

December ending year	2021A		2022A				2022A		2023E				2023E		2024E				2024E
	Year	Q1A	Q2A	Q3A	Q4A	Year	Q1A	Q2E	Q3E	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Year			
Total revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Cost of Goods	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			
R&D	573	281	303	422	385	1,391	374	400	450	450	1,674	450	500	600	800	2,350			
SG&A	1,140	1,947	1,181	566	456	4,150	345	350	350	350	1,395	400	400	400	400	1,600			
Total Operating Expenses	1,713	2,228	1,484	988	841	5,541	719	750	800	800	3,069	850	900	1,000	1,200	3,950			
Operating Income	(1,713)	(2,228)	(1,484)	(988)	(841)	(5,541)	(719)	(750)	(800)	(800)	(3,069)	(850)	(900)	(1,000)	(1,200)	(3,950)			
Total Other Items	66	(87)	(2,315)	(53)	(173)	(2,628)	14	10	0	0	24	15	(1)	(1)	(1)	13			
Pre-Tax Income	(1,647)	(2,315)	(3,799)	(1,041)	(1,014)	(8,169)	(705)	(740)	(800)	(800)	(3,045)	(835)	(901)	(1,001)	(1,201)	(3,937)			
Taxes (benefit)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
Tax Rate	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%			
Net Income (loss)	(1,647)	(2,315)	(3,799)	(1,041)	(1,014)	(8,169)	(705)	(740)	(800)	(800)	(3,045)	(835)	(901)	(1,001)	(1,201)	(3,937)			
EPS	(\$0.10)	(\$0.08)	(\$0.12)	(\$0.03)	(\$0.03)	(\$0.22)	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.06)	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.07)			
Diluted Shares Outstanding	16,452	28,810	32,885	36,086	37,734	37,734	42,855	43,000	52,000	52,000	47,464	53,000	60,000	60,000	60,000	58,250			

Source: Company reports and Litchfield Hills Research LLC

Figure 10 – NurExone Biologic Inc. – Balance Sheet (US\$000)

December ending year	FY2024E	FY2023E	FY2022A	FY2021A
Balance sheet				
Current Assets				
Cash and S.T.I.	\$950	\$1,862	\$2,517	\$2,233
Accounts receivable	300	250	175	603
Inventories	0	0	0	0
Other assets	0	0	0	0
Total Current Assets	1,250	2,112	2,692	2,836
Net PP&E	125	100	51	0
Other non-current assets	50	50	51	0
Total Assets	\$1,425	\$2,262	\$2,794	\$2,836
Current Liabilities				
Accounts payable	\$350	\$300	\$278	\$259
Accrued expenses	375	325	305	87
Other current liabilities	0	0	0	1,285
Total current liabilities	725	625	583	1,631
Conv. and Long Term Debt	0	0	0	0
Other non-current	100	100	115	28
Total Liabilities	825	725	698	1,659
Stockholders' Equity				
Preferred stock	0	0	0	0
Common stock	0	0	0	0
Additional paid-in-capital	18,000	15,000	12,514	3,426
Retained earnings	(17,400)	(13,463)	(10,418)	(2,249)
Cum. trans. adj. and treasury stock	0	0	0	0
Total stockholders' equity	600	1,537	2,096	1,177
Total Liabilities and equity	\$1,425	\$2,262	\$2,794	\$2,836

Source: Company reports and Litchfield Hills Research LLC

Figure 11 – NurExone Biologic Inc. – Cash Flow (US\$000)

	2024E	2023E	2022A
Net Income	(\$3,937)	(\$3,045)	(\$8,169)
Accounts receivable	(50)	(75)	428
Inventories	0	0	0
Other assets	0	0	0
PP&E	(25)	(49)	(51)
Other non-current	0	1	(51)
Accounts payable	50	22	19
Accrued expenses	50	20	218
Other current liabilities	0	0	(1,285)
Conv. and Long Term Debt	0	0	0
Other non-current	0	(15)	87
Preferred stock	0	0	0
Common stock	0	0	0
Additional paid-in-capital	3,000	2,486	9,088
Stock subscription receivable	0	0	0
Other			
Total Cash Flow	(\$912)	(\$655)	\$284

Source: Litchfield Hills Research LLC

Disclosures:

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