

March 31, 2022



NRx Pharmaceuticals Provides Business Update and Reports Full Year 2021 Financial Results

Company to Host Conference Call and Webcast March 31, 2022, at 8:30am ET

RADNOR, Pa., March 31, 2022 /PRNewswire/ -- NRx Pharmaceuticals, Inc. (Nasdaq: NRXP) ("NRx Pharmaceuticals"), a clinical-stage, biopharmaceutical company, today announced its financial results for the year ended December 31, 2021 and provided a business update.



or life-threatening medical needs by applying innovative science to known molecules." said Robert Besthof, Interim Chief Executive Officer. "We are excited to continue to build upon the foundation laid by our founder and my predecessor Dr. Jonathan Javitt. Today NRx is positioned to bring hope to

life by executing our strategy in two priority areas in which we have Phase III compounds with Fast Track and Breakthrough Therapy designation, respectively: the development and approval of ZYESAMI[®] (aviptadil), for treatment of Critical COVID-19 and other respiratory diseases, and advancing our psychiatric portfolio, including NRX-101. Given a changing global geopolitical environment we believe it is prudent to narrow our geographic focus principally in the United States and where we can make the biggest contribution towards improving patient care in the near term. We look forward to advancing the late-stage studies of our promising pipeline of Phase III candidates in Psychiatry and Respiratory Diseases and realizing their potential for patients and investors."

Recent Business Highlights

- Announced leadership transition - Robert Besthof named Interim CEO; Dr. Jonathan Javitt to serve as Chief Scientist, member of the Board of Directors
- Company now geographically focused primarily in the U.S. on its two Phase III assets for which it has Fast Track and Breakthrough Therapy designation, respectively: intravenous ZYESAMI[®] for Critical COVID-19 and NRX-101 for bipolar depression with suicidality
- Re-initiating psychiatry development - initiating a Phase II study of NRX-101 for bipolar depression with sub-acute suicidal ideation and behavior (SSIB); plans to initiate a new Phase IIb/III registrational study of NRX-101 for severe bipolar depression with acute suicidal ideation and behavior (ASIB) using commercial level material in the second half of 2022
- NIH ACTIV-3b Trial of intravenous ZYESAMI[®] reaching approximately 465 enrolled patients; ZYESAMI is now the only new investigational drug in this study for Critical COVID-19
- I-SPY study of inhaled ZYESAMI[®] in Critical COVID-19 stopped; NRx inhaled study in severe COVID-19 is paused – exploring inhaled ZYESAMI[®] for less severe COVID-19 and other respiratory diseases in the future
- Decision made to no longer pursue BriLife[™] COVID-19 vaccine project
- Completed \$25 million private placement in February 2022

Financial Results for the Year Ended December 31, 2021

- Research and development expenses for the year ended December 31, 2021, totaled \$20.3 million, compared to \$10.6 million for the year ended December 31, 2020. The increase was primarily driven by an increase in clinical trials and development expenses related to ZYESAMI[®].
- General and administrative expenses for the year ended December 31, 2021, totaled \$74.9 million, of which \$60.3 million were non-cash stock-based compensation, consulting fees and warrant expense. General and administrative expenses for the year ended December 31, 2020, totaled \$11.4 million, of which \$5.7 million was non-cash stock-based compensation, consulting fees, and warrant expense. The increase

was primarily due to the increase in non-cash stock-based compensation expenses, consulting fees, and an increase in insurance expenses.

- Settlement expense for the year ended December 31, 2021, was \$21.4 million compared to \$39.5 million for the year ended December 31, 2020. Settlement expense is a non-cash expense.
- Reimbursements of expenses from Relief Therapeutics were \$0.8 million for the year ended December 31, 2021, compared to \$10.2 million for the year ended December 31, 2020.
- Other income for the year ended December 31, 2021, was \$22.7 million, driven primarily by a \$20.9 million decrease in the earnout cash liability and a \$1.7 million decrease in the warrant liability. Other expenses for the year ended December 31, 2020, were \$0.4 million primarily due to a loss on conversion of convertible notes payable.
- Net loss for the year ended December 31, 2021, was \$93.1 million, or \$1.98 per share, compared with a net loss of \$51.8 million, or \$1.51 per share for the year ended December 31, 2020.
- Cash used in operating activities was \$37.7 million for the year ended December 31, 2021, compared to \$2.3 million for the year ended December 31, 2020.
- As of December 31, 2021, cash was \$27.6 million, compared to \$1.9 million as of December 31, 2020. As previously mentioned, NRx completed a \$25 million private placement financing in February 2022. NRx believes it has sufficient cash to support operations for at least the next 12 months.

About NRx Pharmaceuticals

NRx Pharmaceuticals, Inc. (Nasdaq: NRP) ("NRx Pharmaceuticals" or the "Company") draws upon decades of collective, scientific, and drug-development experience to bring improved health to patients. Its investigational product, ZYESAMI® (aviptadil) for patients with COVID-19, has been granted Fast Track designation by the US Food and Drug Administration (FDA) and is in a Phase III trial for Critical COVID-19 patients which is sponsored and managed by the US National Institutes of Health. The FDA has additionally granted Breakthrough Therapy designation, a Special Protocol Agreement, and a Biomarker Letter of Support for NRX-101, an investigational medicine for the treatment of severe bipolar depression in patients with acute suicidal ideation and behavior (ASIB) after initial stabilization with ketamine or other effective therapy.

NRx Pharmaceuticals is led by executives and board members who have held senior roles at Lilly, Pfizer, GSK and the US FDA. NRx Pharmaceuticals was co-founded by Prof Jonathan Javitt, MD, MPH, who has held leadership roles in various biotechnology startup companies and been appointed to advisory roles in four U.S. Presidential Administrations. The NRx Pharmaceuticals' board includes Dr. Sherry Glied, former U.S. Assistant Secretary for Health (ASPE), Daniel E. Troy, JD, former Chief Counsel of the U.S. FDA, Chaim Hurvitz, former director of Teva and President of the Teva International Group, and General H.R. McMaster, Ph.D. (US Army, Ret.), the 26th United States National Security Advisor.

Cautionary Note Regarding Forward-Looking Statements

This announcement of NRx Pharmaceuticals, Inc. includes "forward-looking statements" within the meaning of the "safe harbor" provisions of the U.S. Private Securities Litigation

Reform Act of 1995, which may include, but are not limited to, statements regarding our financial outlook, product development, business prospects, and market and industry trends and conditions, as well as the Company's strategies, plans, objectives, and goals. These forward-looking statements are based on current beliefs, expectations, estimates, forecasts, and projections of, as well as assumptions made by, and information currently available to, the Company's management.

The Company assumes no obligation to revise any forward-looking statement, whether as a result of new information, future events or otherwise. Accordingly, you should not place reliance on any forward-looking statement, and all forward-looking statements are herein qualified by reference to the cautionary statements set forth above.

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NRX PHARMACEUTICALS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)

	Year ended December 31,	
	2021	2020
Operating expenses:		
Research and development	\$ 20,257	\$ 10,625
General and administrative	74,944	11,436
Settlement expense	21,366	39,486
Reimbursement of expenses from Relief Therapeutics	(771)	(10,160)
Total operating expenses	<u>115,796</u>	<u>51,387</u>
Loss from operations	<u>(115,796)</u>	<u>(51,387)</u>
Other (income) expenses:		
Gain on extinguishment of debt	(121)	—
Interest expense	18	56
Change in fair value of warrant liability	(1,692)	—
Change in fair value of Earnout Cash liability	(20,938)	—
Change in fair value of embedded put	—	27
Loss on conversion of convertible notes payable	—	307
Total other (income) expenses	<u>(22,733)</u>	<u>390</u>
Loss before tax	<u>(93,063)</u>	<u>(51,777)</u>
Provision for income taxes	—	—
Net loss	<u>(93,063)</u>	<u>(51,777)</u>
Deemed dividend - warrants	(2,692)	—
Deemed dividend - Earnout Shares	(253,130)	—
Net loss attributable to common stockholders	<u>\$ (348,885)</u>	<u>\$ (51,777)</u>
Net loss per share:		
Basic and diluted	\$ (1.98)	\$ (1.51)
Net loss per share attributable to common stockholders:		
Basic and diluted	\$ (7.44)	\$ (1.51)
Weighted average common shares outstanding:		
Basic and diluted	46,917,701	34,270,955

NRX PHARMACEUTICALS, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	December 31,	
	2021	2020
ASSETS		
Current assets:		
Cash	\$ 27,605	\$ 1,859
Account receivable, net of allowance of \$257 as of December 31, 2020	—	831
Prepaid expenses and other current assets	5,109	240
Total current assets	32,714	2,930
Other assets	15	11
Total assets	\$ 32,729	\$ 2,941
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	\$ 3,687	\$ 3,153
Accrued and other current liabilities	2,375	1,729
Accrued clinical site costs	469	1,547
Earnout Cash liability	4,582	—
Warrant liabilities	292	—
Notes payable and accrued interest	518	249
Accrued settlement expense	—	39,486
Total current liabilities	11,923	46,164
Notes payable and accrued interest	—	548
Total liabilities	\$ 11,923	\$ 46,712
Stockholders' equity (deficit):		
Common stock, \$0.001 par value, 500,000,000 shares authorized; 58,810,550 and 42,973,462 shares issued and outstanding at December 31, 2021 and 2020, respectively	59	43
Additional paid-in capital	203,990	46,366
Accumulated deficit	(183,243)	(90,180)
Total stockholders' equity (deficit)	20,806	(43,771)
Total liabilities and stockholders' equity (deficit)	\$ 32,729	\$ 2,941

NRX PHARMACEUTICALS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year ended December 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (93,063)	\$ (51,777)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	2	2
Stock-based compensation	7,785	730
Warrant expense	—	5,383
Gain on extinguishment of debt	(121)	—
Change in fair value of warrant liabilities	(1,692)	—
Change in fair value of earnout cash liability	(20,938)	—
Change in fair value of embedded put	—	27
Amortization of debt discount	—	17
Non-cash interest expense	19	65
Non-cash settlement expense	21,366	39,486
Non-cash consulting expense	53,837	—
Loss on common stock issued to settle accounts payable	—	42
Loss on conversion for notes payable	—	307
Changes in operating assets and liabilities:		
Accounts receivable	831	(831)
Prepaid expenses and other assets	(4,809)	(143)
Accounts payable	(19)	1,183
Accrued expenses and other liabilities	(901)	3,244
Net cash used in operating activities	(37,703)	(2,265)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of computer equipment	(7)	(2)
Net cash used in investing activities	(7)	(2)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	—	620
Proceeds from issuance of series B-2 preferred stock	—	50
Proceeds from issuance of common stock and exercise of stock options, net of transaction costs	9,624	2,579
Proceeds from issuance of common stock for exercise of warrant	16,699	—
Proceeds from issuance of common stock and warrants issued in private placement, net of issuance costs	27,359	—
Effect of Merger, PIPE financing, net of transaction costs	11,050	—
Repayment of notes payable assumed in Merger	(1,100)	—
Repayment of notes payable - related party	(176)	—
Net cash provided by financing activities	63,456	3,249
Net increase in cash	25,746	982
Cash at beginning of period	1,859	877
Cash at end of period	\$ 27,605	\$ 1,859

SOURCE NRx Pharmaceuticals, Inc.