NRx Pharmaceuticals Announces 2nd Quarter 2021 Financial Update

August 16, 2021

- Emergency Use Authorization (EUA) Request for ZYESAMI™ (aviptadil) Pending with United States Food and Drug Administration to Treat Patients Suffering from Critical COVID-19 with Respiratory Failure

- Emergency Use Authorization Granted to ZYESAMI in Nation of Georgia to Treat Critical COVID-19 Patients in July; First Orders for ZYESAMI in Georgia Under Discussion

- NRx Pharmaceuticals Initiating Phase 2b Trial in Georgia of the BriLife Vaccine for COVID, Developed in Conjunction with the Israeli Institute for Biological Research

RADNOR, Pa., Aug. 16, 2021 /PRNewswire/ -- NRx Pharmaceuticals (NRx) (Nasdaq: NRXP), a clinical stage biopharmaceutical company today provided a business update and financial results for the quarter ended June 30, 2021. NRx will host a conference call Tuesday, August 17, 2021, at 8:30AM Eastern Time to discuss its business update and second quarter financial results. "NRx is pleased to report its first quarterly results as a publicly-traded company. We have continued to make substantial progress as a company with the filing of an EUA request for ZYESAMI in the US on May 31st, and the filing and granting of an EUA in the Nation of Georgia, with first orders expected shortly. We are honored to have been selected by the Israeli Institute for Biological Research to develop and market the BriLife COVID vaccine. Finally, we are looking forward to restarting trials of our psychiatry drug, NRX-101, in the coming months," said Prof Jonathan Javitt, MD, MPH, CEO and Chairman of NRx.

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Business Highlights in Q2

Primary clinical activities during the quarter centered around analysis and regulatory filing of data from the phase 2b/3 trial of intravenous ZYESAMI™ for COVID-19 Respiratory Failure, support of the NIH-sponsored ACTIV3b Critical Care study of ZYESAMI compared to Veklury (remdesivir) alone and in combination, support of the BARDA-sponsored I-SPY trial of inhaled ZYESAMI, and the NRx-sponsored trial of inhaled ZYESAMI.

On the manufacturing front, the Company focused on development of the first shelf-stable formulation of ZYESAMI, which was announced in early Q3, along with engagement in scaling up aviptadil drug substance from 100,000 doses per manufacturing batch to a projected 3 million doses per batch, combined with a 90% reduction in cost per gram of aviptadil drug substance.

On the business development front, NRx engaged in successful collaborative negotiations with the Israeli Institute for Biological Research (IIBR) that resulted in the long-term partnership announced in Q3. The company entered into a collaborative agreement with TFF Pharmaceuticals to develop a dry powder reconstitutable form of ZYESAMI that has now demonstrated initial room temperature stability. This technology has now shown promise for the development of a dry powder version of the BriLife vaccine. Our enthusiasm for this development project is based on nonclinical data suggesting an effective neutralizing antibody response to the Delta and other COVID variants, together with the rapidity with which this vaccine technology can be modified to cover new variants as they emerge. The company further initiated business development interactions with MannKind Corporation to leverage the Technosphere® platform for future inhaled use of ZYESAMI.

On a commercial level, the Company finalized its logistics and drug distribution contract with Cardinal Health, Inc., and its drug launch and commercialization support agreement with IQVIA, Inc. During Q2, NRx began its engagement with Georgia, Ukraine, and other countries around Emergency Use of ZYESAMI and potential clinical trials of the BriLife vaccine.

At a corporate level, much of Q2 was devoted to finalizing the business combination between NeuroRx, Inc. and Big Rock Partners Acquisition Corp (Nasdaq: BRPA) that led to the creation of NRx.

Second Quarter Financial Results

NRx reported a net loss of $16.0 million for the three months ended June 30, 2021, compared to a net loss of $0.1 million for the three months ended June 30, 2020. The increase in net loss was primarily related to increases in R&D expenses, G&A expenses (which were primarily non-cash expenses associated with exercise of warrants and restructuring of the Company's Stock Option Plan) and a reduction in reimbursement of expenses from Relief Therapeutics during the second quarter of 2021 versus the prior year. Research and development expenses were $4.7 million during the three months ended June 30, 2021, compared to $1.4 million during the three months ended June 30, 2020. These costs were primarily associated with the completion of the phase 2b/3 trial of ZYESAMI. General and administrative expenses were $12.5 million for the three months ended June 30, 2021, compared to $0.5 million during the three months ended June 30, 2020. This was driven primarily by $5.5 million of consultant fees (of which $4.9 million relates to non-cash consulting fees) and $4.0 million in stock compensation expense (of which $3.3 million relates to modification of stock options and warrants due to the SPAC merger). As of June 30, 2021, cash and cash equivalents were $13.4 million, compared to $1.9 million as of December 31, 2020. In addition, NRx received $9.2 million subsequent to June 30, 2021 from the exercise of warrants.

As stated in the 10-Q filing, NRx has sufficient core operating funds to support operations through the next 12 months. Clinical trial operations for ACTIV3b and I-SPY are primarily funded by the US Government. We anticipate that the BriLife vaccine development program will be co-funded by a commercial partner with additional partnerships in development.

Conference Call and Webcast Information

NRx will host a conference call and webcast on August 17, 2021 8:30 AM Eastern Time to discuss its results and provide a clinical and corporate update. Management will host the call, followed by a question-and-answer period. Analysts and investors interested in submitting questions must do so in advance of the call,and are encouraged to email questions to the Company's investor relations representative at jmullaly@lifesciadvisors.com.

NRX PHARMACEUTICALS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Operating expenses:				
Research and development	$ 4,659,280	$ 1,390,376	$ 7,567,984	$ 1,994,709
General and administrative	12,457,534	525,736	14,558,936	1,141,390
Settlement expense	—	—	21,365,641	—
Reimbursement of expenses from Relief Therapeutics	—	(2,020,931)	(771,244)	(2,020,931)
Total operating expenses	17,116,814	(104,819)	42,721,317	1,115,168
Income (loss) from operations	(17,116,814)	104,819	(42,721,317)	(1,115,168)
Other (income) expenses:				
Gain on extinguishment of debt	—	—	(120,810)	—
Interest expense	5,107	2,532	10,288	38,800
Change in fair value of warrant liability	(1,468,649)	—	(1,468,649)	—
Change in fair value of Earnout Cash liability	354,701	—	354,701	—
Change in fair value of embedded put	—	—	—	27,160
Loss on conversion of convertible notes payable	—	—	—	306,641
Total other (income) expenses	(1,108,841)	2,532	(1,224,470)	372,601
Income (loss) before tax	(16,007,973)	102,287	(41,496,847)	(1,487,769)
Provision for income taxes	—	—	—	—
Net income (loss)	(16,007,973)	102,287	(41,496,847)	(1,487,769)
Deemed dividend - modification of warrants	(2,691,799)	—	(2,691,799)	—
Deemed dividend - Earnout Shares	(253,130,272)	—	(253,130,272)	—
Net income (loss) attributable to common stockholders	$ (271,830,043)	$ 102,287	$ (297,318,917)	$ (1,487,769)
Net earnings (loss) per share:				
Basic	$ (0.38)	$ —	$ (1.07)	$ (0.04)
Diluted	$ (0.38)	$ —	$ (1.07)	$ (0.04)
Net earnings (loss) per share attributable to common stockholders:				
Basic	$ (6.51)	$ —	$ (7.68)	$ (0.04)
Diluted	$ (6.51)	$ —	$ (7.68)	$ (0.04)
Weighted average common shares outstanding:				
Basic	41,727,480	33,819,205	38,709,614	33,799,503
Diluted	41,727,480	36,656,420	38,709,614	33,799,503

NRX PHARMACEUTICALS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2021	December 31, 2020
	(Unaudited)	
ASSETS		
Current assets:		
Cash	$ 13,386,332	$ 1,858,513
Account receivable, net of allowance of $5,470,897 and $257,463 as of June 30, 2021 and December 31, 2020, respectively	—	831,390
Prepaid expenses and other current assets	5,147,650	240,352
Total current assets	18,533,982	2,930,255
Other assets	12,730	10,914
Total assets	$ 18,546,712	$ 2,941,169
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable (includes $44,201 and $149,067 due to related parties)	$ 6,268,319	$ 3,153,310
Accrued and other current liabilities	1,506,337	1,728,483
Accrued clinical site costs	1,133,312	1,547,432
Earnout Cash liability	25,874,896	—
Warrant liabilities	515,025	—
Notes payable and accrued interest	173,694	248,861
Accrued settlement expense	—	39,486,139
Total current liabilities	35,471,583	46,164,225
Notes payable and accrued interest	512,472	547,827
Total liabilities	$ 35,984,055	$ 46,712,052
Stockholders' equity (deficit):		
Preferred stock, $0.001 par value, 50,000,000 shares authorized; 0 shares issued and outstanding at June 30, 2021 and December 31, 2020, respectively	—	—
Common stock, $0.001 par value, 500,000,000 shares authorized; 48,603,585 and 42,973,462 shares issued and outstanding at June 30, 2021 and December 31, 2020, respectively	48,604	42,974
Additional paid-in capital	114,190,620	46,365,863
Accumulated deficit	(131,676,567)	(90,179,720)
Total stockholders' equity (deficit)	(17,437,343)	(43,770,883)
Total liabilities and stockholders' equity	$ 18,546,712	$ 2,941,169

About NRx Pharmaceuticals

NRx Pharmaceuticals (www.nrxpharma.com) (NRx) draws upon more than 300 years 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 currently undergoing phase 3 trials funded by the US National Institutes of Health, the Biomedical Advanced Research and Development Authority part of the US Department of Health and Human Services, and the Medical Countermeasures program, part of the US Department of Defense. The FDA has additionally granted Breakthrough Therapy Designation, a Special Protocol Agreement, and a Biomarker Letter of Support to NRx for NRX-101, an investigational medicine to treat suicidal bipolar depression. NRX-101 is currently in Phase 3 trials, with readouts expected in 2022. In July 2021, the Government of Israel awarded NRx the exclusive worldwide right to develop and market the BriLife™ COVID vaccine developed by the Israel Institute for Biological Research.

NRx is led by executives who have held senior roles at Allergan, J&J, Lilly, Novartis, Pfizer, and the US FDA. NRx is chaired by Prof Jonathan Javitt, MD, MPH, who has held leadership roles in six biotechnology startup companies with public exits and been appointed to advisory roles in four US Presidential Administrations. The NRx board includes Dr. Sherry Glied, former US Assistant Secretary for Health (ASPE), Daniel E. Troy, JD, former Chief Counsel of the US 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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