August 14, 2024

Zacks Small-Cap Research

Sponsored – Impartial - Comprehensive

Brad Sorensen
312-265-9574
bsorensen@zacks.com

scr.zacks.com

10 S. Riverside Plaza, Chicago, IL 60606

MIRA Pharmaceuticals (MIRA-NASDAQ)

MIRA: More Good News for Primary Treatment

MIRA is creating a THC analog that has the same benefits as THC without the negative side effects. We value MIRA at $16.50 using discounted cash flow analysis and a 20% discount rate.

Current Price (08/09/24)	$2.10
Valuation	**$16.50**

OUTLOOK

MIRA Pharmaceuticals is a preclinical-stage pharmaceutical company focused on the development and commercialization of new molecular synthetic cannabinoid analog for the treatment of adult patients with neuropathic pain as well as anxiety and cognitive decline typically associated with early-stage dementia.

The company further insights into its Ketamir-2 drug that showed increased oral bioavailability, which is a big advancement, while also releasing 2Q earnings.

SUMMARY DATA

52-Week High	**$6.58**
52-Week Low	**$0.54**
One-Year Return (%)	**N/A**
Beta	**N/A**
Average Daily Volume (sh)	**13,796,398**
Shares Outstanding (mil)	**15**
Market Capitalization ($mil)	**$30**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**35**
Insider Ownership (%)	**N/A**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2023 Estimate	**N/A**
P/E using 2024 Estimate	**N/A**
Zacks Rank	**N/A**

Risk Level	**High**
Type of Stock	**Small Growth**
Industry	**Biotech**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2022	0 A	0 A	0 A	0 A	0 A
2023	0 A	0 A	0 A	0 A	0 A
2024	0 A	0 A	0 E	0 E	0 E
2025	0 E	0 E	0 E	0 E	0 E

Earnings per share*

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2022	N/A	N/A	N/A	N/A	(0.48) A
2023	(0.09) A	(0.10) A	(0.26) A	(0.37) A	(0.64) A
2024	(0.12) A	(0.11) A	(0.18) E	(0.19) E	(0.60) E
2025	(0.15) E	(0.10) E	(0.16) E	(0.13) E	(0.54) E

*numbers may not add to yearly total due to share issuance.

© Copyright 2024, Zacks Investment Research. All Rights Reserved.

Update

MIRA Pharmaceuticals is a preclinical-stage pharmaceutical company focused on the development and commercialization of a new molecular synthetic cannabinoid analog for the treatment of adult patients with neuropathic pain as well as anxiety and cognitive decline typically associated with early-stage dementia. The company also acquired the rights to Ketamir, which, in layman's terms, is a potential derivative of the antidepressant ketamine that has shown indications of having fewer side effects, working more rapidly, and having the opportunity to impact millions of patients that have not responded to other, existing treatments. We have written about the exciting preclinical results for Ketamir-2, the company's novel oral ketamine analog, and the company just released insights into the compound.

As previously discussed, Ketamir-2 is under investigation for its potential in treating neurological and neuropsychiatric disorders, including depression, treatment-resistant depression (TRD), and post-traumatic stress disorder (PTSD).

According to the company, Ketamir-2 and its principal metabolite, Nor-Ketamir-2, demonstrate superior selectivity and bioavailability in preclinical studies. Upon oral absorption, the body efficiently metabolizes Ketamir-2 into Nor-Ketamir-2, leading to sustained plasma residence and brain penetration and extended therapeutic efficacy, making it a promising candidate for at-home treatment. The near 100 percent oral bioavailability is in contrast to the 30% oral bioavailability of traditional ketamine.

As a reminder, other preclinical studies from the company have shown that oral Ketamir-2 has been shown to be safe at high doses and is effective in several anti-depressant and anxiolytic models, and it does not appear to induce hyper-locomotor activity, which is a common side effect of traditional ketamine. Additionally, Ketamir-2 has shown no interaction with the mu-opioid receptor, unlike traditional ketamine. The company believes this could potentially mean a reduced risk of opioid-related side effects and dependency.

Additionally, the company released its 2Q2024 financial results, which produced no big surprises and showed that the company remains on track for an IND application by the end of the year. Cash remains solid at over $2.8 million, and expenses remain contained and reasonable for a company in this stage of development.

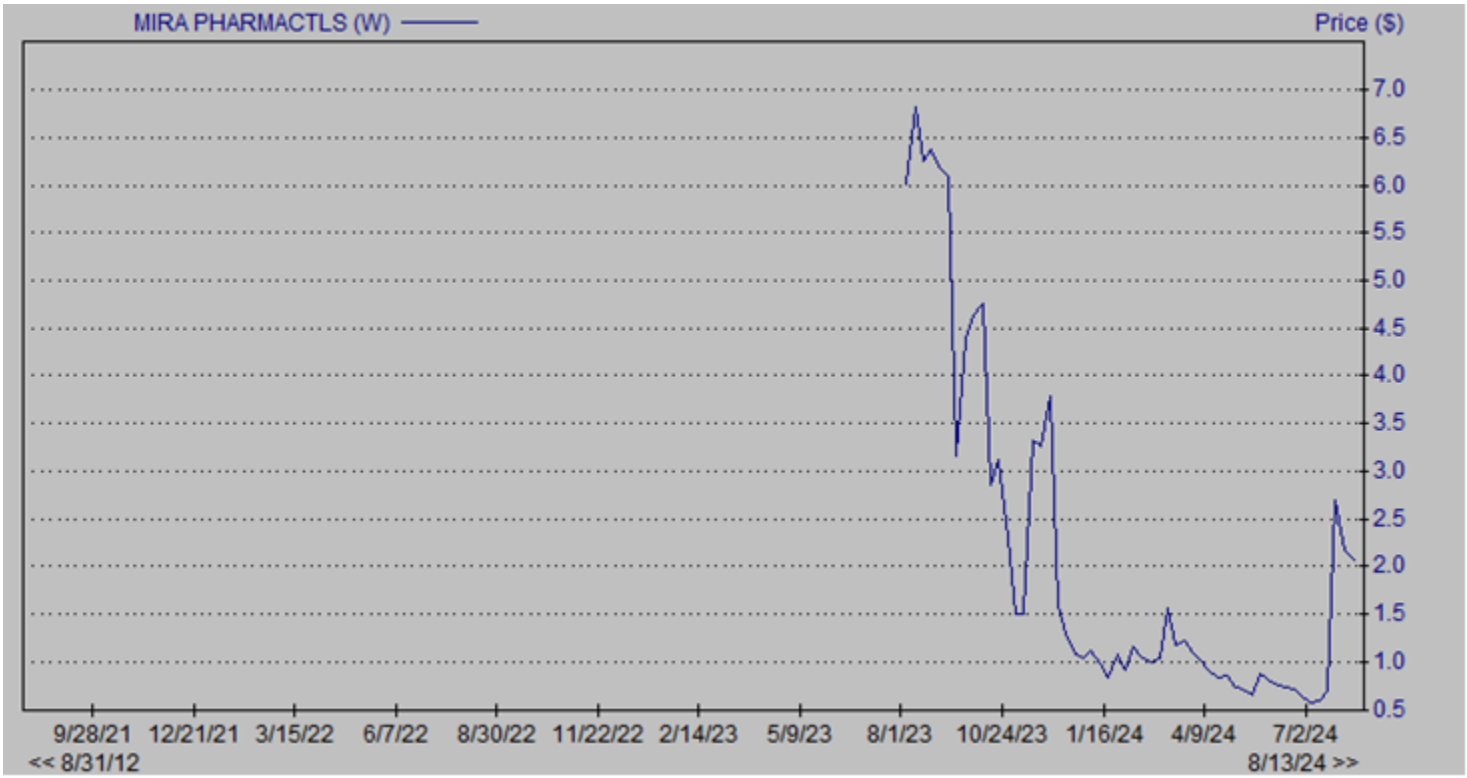
We remain extremely positive on MIRA, and this announcement is yet another confirmation that the potential for MIRA's treatments is exciting. This announcement, in our view, helps to further validate the potential for MIRA therapies. The company has two potential groundbreaking therapies and is rightly focusing on the one with the potential to get to market the fastest—Ketamir-2, but also continuing to advance MIRA-55, which we wrote about last week, in the background. We urge investors to look at MIRA and suggest those with a modestly higher risk tolerance consider investing before MIRA announces more positive results or collaborations the stock really starts to move higher.

.

INCOME STATEMENT AND BALANCE SHEET

MIRA Pharmaceuticals Income Statement and Balance Sheet							
	2023A	1Q2024A	2Q2024A	3Q2024E	4Q2024E	2025E	2026E
Revenue	0	0	0	0	0	0	0
Operating Costs:							
General and Admin.	6,499,537	1,005,911	1,116,260	2,144,832	2,232,534	6,824,514	6,824,515
Travel Costs	453,550	0	0	0	0	0	0
Research and Dev.	1,572,962	762,276	614,462	626,751	639,286	1,651,610	1,734,191
Total Operating Costs	8,526,049	1,768,187	1,730,722	2,771,583	2,871,820	8,476,124	8,558,706
Interest Income/(Expense)	(3,456,294)	(50,416)	39,397	0	0	0	0
Net Gain/(Loss)	(11,982,343)	(1,818,603)	(1,691,325)	(2,771,583)	(2,871,820)	(8,476,124)	(8,558,706)
Basic and diluted loss per share	(0.64)	(0.12)	(0.11)	(0.18)	(0.19)	(0.54)	(0.53)
Common Shares Outstanding	18,566,158	19,707,847	14,780,885	15,076,503	15,378,033	15,685,593	15,999,305
Assets							
Current Assets							
Cash	4,602,566	3,528,695	2,823,781	5,868,330	4,602,566	4,142,309	3,728,078
Deferred Offering Costs	0	0	0	0	0	0	0
Prepaid Expenses	243,802	185,336	108,622	202,817	243,802	246,240	248,702
Total Current Assets	4,846,368	3,714,031	2,932,403	6,071,147	4,846,368	4,388,549	3,976,781
Other Assets	86,075	94,760	83,175	2,947,065	86,075	87,797	89,552
Total Assets	4,932,443	3,808,791	3,015,578	9,018,212	4,932,443	4,476,346	4,066,333
Liabilities and SH deficit (equity)							
Current Liabilities							
Trade accts payable	538,564	636,261	782,140	789,961	797,861	805,840	813,898
Other current liablities	19,533	15,745	14,472	14,617	14,763	14,911	15,060
Total Current Liabilities	558,097	652,006	796,612	804,578	812,624	820,750	828,958
Non-current operating lease	0	0	0	0	0	0	0
Total Liabilities	558,097	652,006	796,612	804,578	812,624	820,750	828,958
Common Stock	1,478	1,478	1,478	1,478	1,478	1,478	1,478
Additional Paid-in Capital	25,657,930	26,158,140	26,911,646	27,180,762	27,452,570	27,727,096	28,004,367
Accumulated Deficit	(21,285,062)	(23,002,833)	(24,694,158)	(18,968,607)	(23,334,229)	(24,072,978)	(24,768,469)
Total SH deficit/(equity)	4,374,346	3,156,785	2,218,966	8,213,633	4,119,819	3,655,596	3,237,376
Total Liabilities and SH deficit/(equity)	4,932,443	3,808,791	3,015,578	9,018,212	4,932,443	4,476,346	4,066,333

HISTORICAL STOCK PRICE



DISCLOSURES

The following disclosures relate to relationships between Zacks Small-Cap Research ("Zacks SCR"), a division of Zacks Investment Research ("ZIR"), and the issuers covered by the Zacks SCR Analysts in the Small-Cap Universe.

ANALYST DISCLOSURES

I, Brad Sorensen, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. I believe the information used for the creation of this report has been obtained from sources I considered to be reliable, but I can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice.

INVESTMENT BANKING AND FEES FOR SERVICES

Zacks SCR does not provide investment banking services nor has it received compensation for investment banking services from the issuers of the securities covered in this report or article.
Zacks SCR has received compensation from the issuer directly, from an investment manager, or from an investor relations consulting firm engaged by the issuer for providing non-investment banking services to this issuer and expects to receive additional compensation for such non-investment banking services provided to this issuer. The non-investment banking services provided to the issuer includes the preparation of this report, investor relations services, investment software, financial database analysis, organization of non-deal road shows, and attendance fees for conferences sponsored or co-sponsored by Zacks SCR. The fees for these services vary on a per-client basis and are subject to the number and types of services contracted. Fees typically range between ten thousand and fifty thousand dollars per annum. Details of fees paid by this issuer are available upon request.

POLICY DISCLOSURES

This report provides an objective valuation of the issuer today and expected valuations of the issuer at various future dates based on applying standard investment valuation methodologies to the revenue and EPS forecasts made by the SCR Analyst of the issuer's business.
SCR Analysts are restricted from holding or trading securities in the issuers that they cover. ZIR and Zacks SCR do not make a market in any security followed by SCR nor do they act as dealers in these securities. Each Zacks SCR Analyst has full discretion over the valuation of the issuer included in this report based on his or her own due diligence. SCR Analysts are paid based on the number of companies they cover. SCR Analyst compensation is not, was not, nor will be, directly or indirectly, related to the specific valuations or views expressed in any report or article.

ADDITIONAL INFORMATION

Additional information is available upon request. Zacks SCR reports and articles are based on data obtained from sources that it believes to be reliable, but are not guaranteed to be accurate nor do they purport to be complete. Because of individual financial or investment objectives and/or financial circumstances, this report or article should not be construed as advice designed to meet the particular investment needs of any investor. Investing involves risk. Any opinions expressed by Zacks SCR Analysts are subject to change without notice. Reports or articles or tweets are not to be construed as an offer or solicitation of an offer to buy or sell the securities herein mentioned.

CANADIAN COVERAGE

This research report is a product of Zacks SCR and prepared by a research analyst who is employed by or is a consultant to Zacks SCR. The research analyst preparing the research report is resident outside of Canada, and is not an associated person of any Canadian registered adviser and/or dealer. Therefore, the analyst is not subject to supervision by a Canadian registered adviser and/or dealer, and is not required to satisfy the regulatory licensing requirements of any Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and is not required to otherwise comply with Canadian rules or regulations.