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Zacks Small-Cap Research

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

scr.zacks.com
10 S. Riverside Plaza, Chicago, IL 60606

MIRA Pharmaceuticals (MIRA-NASDAQ)

MIRA: Major Breakthrough Announced

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 (08/23/24)	$1.85
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 released results from a pre-clinical study that showed compelling and important outcomes from Ketamir-2, the company's novel oral ketamine analog.

SUMMARY DATA

52-Week High	**$6.40**
52-Week Low	**$0.54**
One-Year Return (%)	**-71.00**
Beta	**N/A**
Average Daily Volume (sh)	**1,769,314**
Shares Outstanding (mil)	**15**
Market Capitalization ($mil)	**$27**
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.

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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 further study results that, in our view, boost the potential for the treatment.

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, in a preclinical study in rats conducted at Pharmaseed, "produced a significant reversal of neuropathic pain, …culminating in a 100% normalization of pain thresholds." The company also noted that traditional ketamine proved ineffective when given orally, the same way Ketamir-2 was administered, under the same conditions. These results further our belief that Ketamir-2 has the potential to be a game-changing treatment and overcome many of the problems with ketamir that have been so well publicized as of late.

The company also announced that, due to this highly encouraging data, MIRA is conducting additional studies to evaluate Ketamir-2's efficacy in treating cancer-induced depression and neuropathic pain. Company management believes that these studies could lead to faster regulatory approvals and "innovative clinical study designs," and is "optimistic" that efficacy in humans could be demonstrated as early as 2025.

Lastly, we want to highlight a comment from the company's Chief Scientific Advisor, Dr. Itzchak Angel, a highly respected figure in the industry, who noted, "The ability to administer Ketamir-2 orally without the severe psychotropic side effects commonly associated with ketamine is a remarkable achievement. This positions Ketamir-2 as a pioneering treatment in the realm of neuropathic pain, offering hope to patients who have limited options available."

We remain extremely positive on MIRA, and this announcement is yet another confirmation that the potential for MIRA's treatments is large and growthing. 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 have written extensively about, 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.

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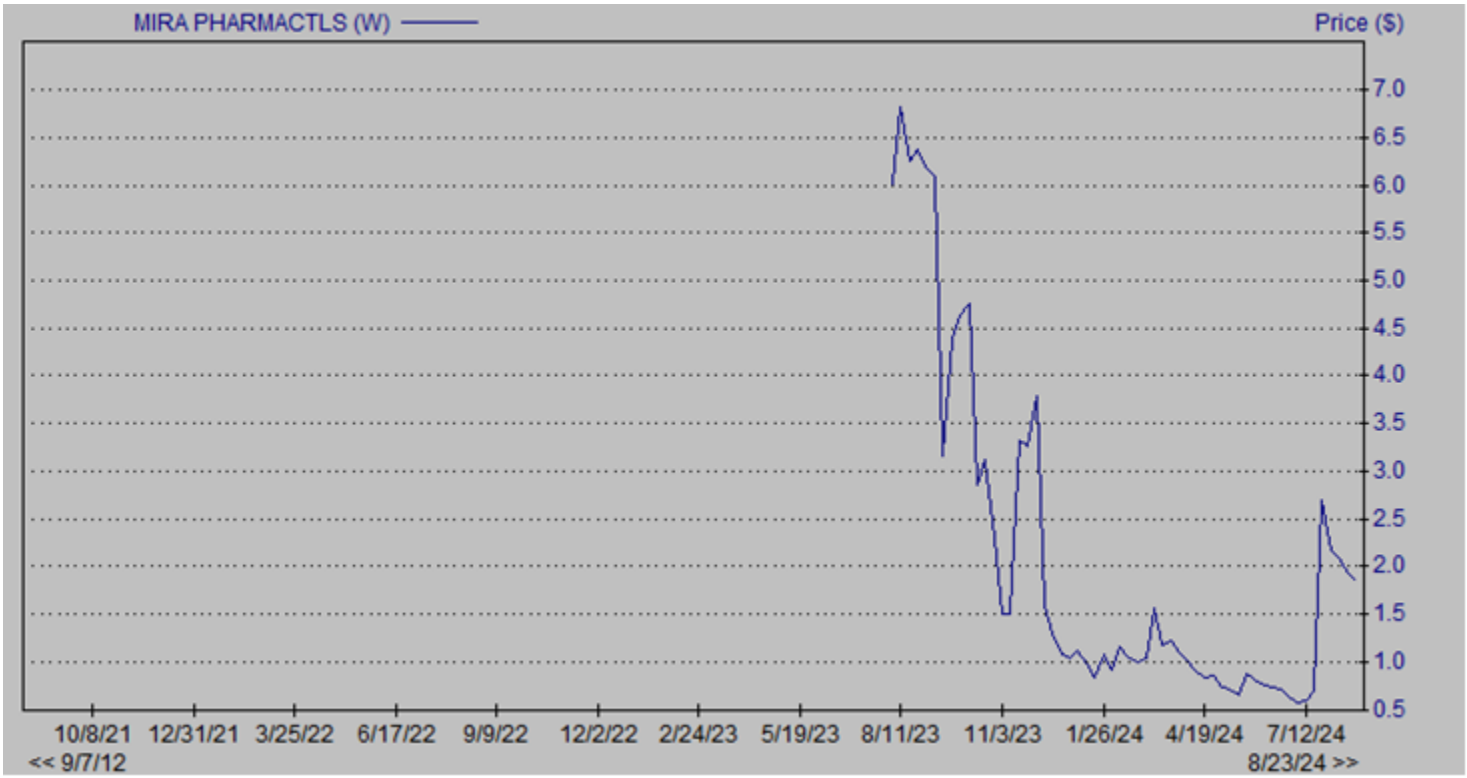
INCOME STATEMENT AND BALANCE SHEET

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



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