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X4 Pharmaceuticals, Inc

(XFOR-NASDAQ)

XFOR: Full Enrollment of Phase 3 4WARD Trial Expected in 2H25…

Based on our probability adjusted DCF model that takes into account potential future revenues of mavorixafor XFOR is valued at $2.50 per share. This model is highly dependent upon the clinical and commercial success of mavorixafor and will be adjusted accordingly based on future results.

Current Price (03/27/25)	$0.27
Valuation	**$2.50**

OUTLOOK

On March 25, 2025, X4 Pharmaceuticals, Inc. (XFOR) announced financial results for the fourth quarter and full year 2024 and provided a business update. The company has activated approximately 90% of clinical sites for the Phase 3 4WARD trial of mavorixafor in chronic neutropenia and we anticipate full enrollment of the trial in the second half of 2025. The trial protocol for the 4WARD trial was also amended, and the trial is now exclusively enrolling patients with absolute neutrophil counts (ANC) < 1,000 cells per microliter. In addition, the ANC component of the primary endpoint will now be the same for all patients, with the trial now looking to show an ANC increase of at least 500 cells per microliter. Topline results are expected in the second half of 2026.

SUMMARY DATA

52-Week High	**$1.47**
52-Week Low	**$0.26**
One-Year Return (%)	**-80.89**
Beta	**0.39**
Average Daily Volume (sh)	**1,680,702**
Shares Outstanding (mil)	**174**
Market Capitalization ($mil)	**$47**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**72**
Insider Ownership (%)	**2**
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 2025 Estimate	**-0.6**
P/E using 2026 Estimate	**-0.7**

Risk Level	**High**
Type of Stock	**Small-Value**
Industry	**N/A**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	0.0 A	0.6 A	0.6 A	1.4 A	2.6 A
2025	2.0 E	2.3 E	2.6 E	2.9 E	9.8 E
2026					31.0 E
2027					116.0 E

Earnings per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	-$0.26 A	$0.45 A	-$0.18 A	-$0.20 A	-$0.19 A
2025	-$0.16 E	$0.16 E	-$0.16 E	-$0.15 E	-$0.61 E
2026					-$0.31 E
2027					-$0.12 E

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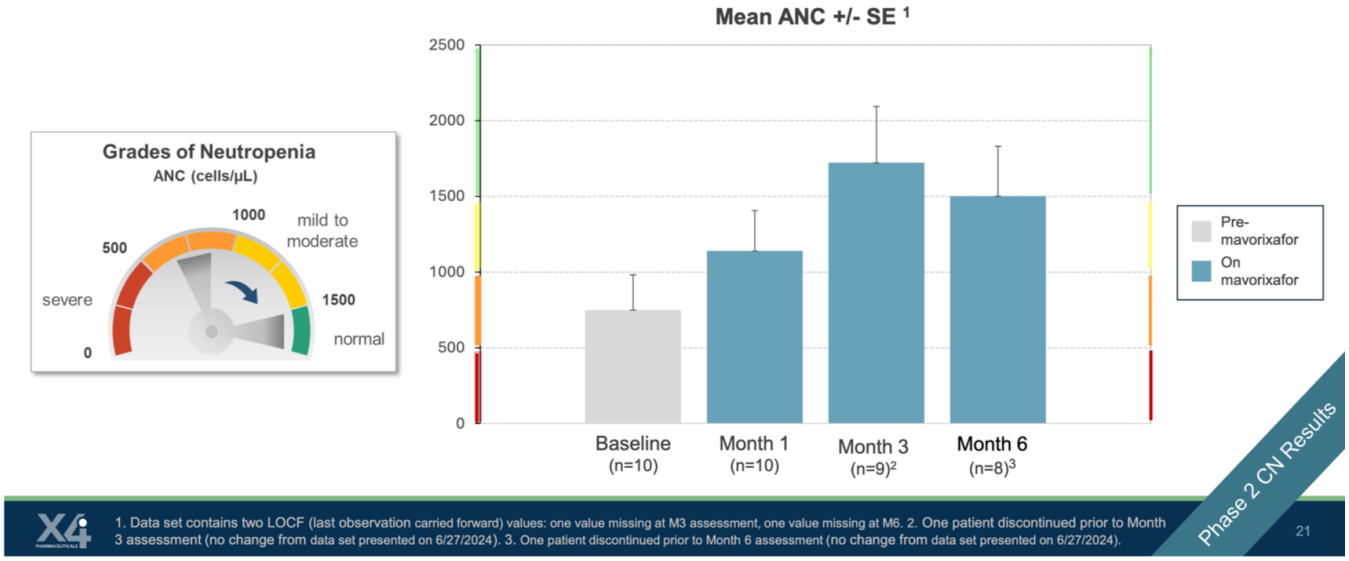
Business Update

Full Enrollment of Phase 3 4WARD Trial Expected in 2H25

X4 Pharmaceuticals, Inc. (XFOR) is currently evaluating mavorixafor in a Phase 3 clinical trial in chronic neutropenia (CN) patients. The 4WARD trial is expected to enroll a total of 150 participants. The trial protocol was recently amended based on feedback from both the FDA and EMA, and it will affect who is enrolled along with refining one of the co-primary endpoints. The trial is now enrolling patients with absolute neutrophil counts (ANC) < 1,000 cells per microliter (previously the cutoff had been < 1,500 cells per microliter). In addition, the ANC component of the primary endpoint will now seek to demonstrate an ANC increase of at least 500 cells per microliter for all participants on mavorixafor. There are now approximately 90% of planned clinical sites opened, and based on the current screening success rates the trial should be fully enrolled in the second half of 2025, with topline results in the second half of 2026.

Based on the Phase 2 data in CN, we believe the protocol changes to the 4WARD trial are likely to increase the chance for success The following figure shows the average ANC increases for all participants on mavorixafor therapy over the 6-month study in the Phase 2 trial. These patients entered the trial with an average ANC <1,000 cells per microliter and experienced an average increase in ANC of between 600-800 cells per microliter. Repeating these data in the 4WARD trial would likely satisfy the requirements for the ANC component of the co-primary endpoints.



Source: X4 Pharmaceuticals, Inc.

Two International Partnerships for Mavorixafor

During the first quarter of 2025, X4 announced two partnerships for territories outside the U.S.:

- In January 2025, X4 announced an exclusive licensing and supply agreement with Norgine, a European specialty pharmaceutical company that generates greater than €500 million in annual revenues, that covers Europe, Australia, and New Zealand. The agreement calls for an upfront payment of €28.5 million and X4 is also eligible to receive up to €226 million in potential regulatory and commercial milestone payments along with tiered, double-digit royalties up to the mid-twenties. The companies will collaborate on regulatory filings and X4 recently announced its Marketing Authorization Application (MAA) to the European Medicines Agency (EMA) for mavorixafor for the treatment of

WHIM syndrome was validated for review and is now under evaluation. A decision on the application is expected in the first half of 2026.

- In February 2025, X4 announced an exclusive agreement with taiba rara for the distribution and commercialization of XOLREMDI in the Middle East and North Africa (MENA) region. tailba will lead the distribution, promotion, marketing, and sales of XOLREMDI in the territory. Local regulatory filings for XOLREMDI will be based on X4's registration dossier filed with the U.S. FDA. Pending approval, taiba is expected to be able to provide XOLREMDI to WHIM patients through a compassionate use program.

Financial Update

On March 25, 2025, X4 announced financial results for the financial year ending December 31, 2024. For the fourth quarter and full year 2024, X4 reported net product revenue of $1.4 million and $2.6 million, respectively, and cost of revenue of $0.3 million and $0.8 million, respectively, related to the sales of XOLREMDI, which was launched in May 2024. R&D expenses for the year ending December 31, 2024 were $81.6 million, compared to $72.0 million for the year ending December 31, 2023. The increase in expenses was primarily due to an increase in unallocated expenses, which includes an increase in personnel within clinical operations, biostatistics, medical affairs, manufacturing and technical, and quality organizations. SG&A expenses for the year ending December 31, 2024 were $61.5 million compared to $35.5 million for the year ending December 31, 2023. The increase was primarily due to increased selling and marketing expenses along with higher legal, corporate communications, accounting, information technology, and professional service costs.

Subsequent to the end of the year, the company announced a strategic restructuring, which includes discontinuing research efforts, closing the company's facility in Vienna, Austria, pausing pre-clinical drug candidate programs, scaling the U.S. commercial field team and supporting roles, and streamlining other spending. These initiatives should decrease annual spending by $30-$35 million.

As of December 31, 2024, X4 had cash, cash equivalents, marketable securities, and restricted cash of approximately $102.8 million. Subsequent to the end of the year, the company received an upfront payment of €28.5 million from its agreement with Norgine. Together with the cost savings from the restructuring, we estimate that the company has sufficient capital to fund operations into the first half of 2026.

As of March 20, 2025, X4 had approximately 173.7 million shares outstanding and, when factoring in stock options, warrants and restricted stock, a fully diluted share count of 310.7 million.

Conclusion

XOLREMDI sales came in slightly above our projection for the fourth quarter, however with limited guidance for the upcoming year we have scaled back our expected revenues in 2025 to $9.8 million. The restructuring should push the company's cash runway into the first half of 2026, but at least one additional financing will be necessary prior to topline data from the 4WARD trial in the second half of 2026. We still believe the 4WARD trial will be successful and that mavorixafor can be commercially successful in CN, however given the stock's recent decline and the tough financing environment for the sector, we have increased the expected dilution for the next financing, which has decreased our valuation to $2.50 per share.

PROJECTED FINANCIALS

X4 Pharmaceuticals, Inc.	2024 A	Q1 E	Q2 E	Q3 E	Q4 E	2025 E	2026 E	2027 E
XOLREMDI	$2.6	$2.0	$2.3	$2.6	$2.9	$9.8	$31.0	$116.0
License and other revenues	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total Revenues	**$2.6**	**$2.0**	**$2.3**	**$2.6**	**$2.9**	**$9.8**	**$31.0**	**$116.0**
Cost of revenues	$0.8	$0.4	$0.5	$0.5	$0.6	$1.9	$5.0	$17.0
Gross Margin	*69%*	*80%*	*80%*	*81%*	*81%*	*80%*	*84%*	*85%*
Research & development	$81.6	$15.0	$15.0	$15.0	$15.0	$60.0	$62.0	$64.0
General & administrative	$61.5	$16.0	$16.3	$16.5	$16.8	$65.6	$70.0	$75.0
Goodwill impairment	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Gain on sale of nonfinancial assets	($105.0)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Operating Income	($36.4)	($29.0)	($29.5)	($29.4)	($29.5)	($113.9)	($106.0)	($40.0)
Operating Margin	*-1423.6%*	*-1450.0%*	*-1281.3%*	*-1130.8%*	*-1015.5%*	*-1162.0%*	*-341.9%*	*-34.5%*
Non-Operating Expenses (Net)	($0.7)	($3.0)	($3.0)	($3.0)	($3.0)	($12.0)	($12.0)	($12.0)
Pre-Tax Income	($37.1)	($32.0)	($32.5)	($32.4)	($32.5)	($125.9)	($118.0)	($52.0)
Deemed Dividend on Class B Warrant price reset	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Income Taxes	$0.3	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Tax Rate	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Net Income	**($37.5)**	**($32.0)**	**($32.5)**	**($32.4)**	**($32.5)**	**($125.9)**	**($118.0)**	**($52.0)**
Net Margin	-	-	-	-	-	-	-	-
Reported EPS	**($0.19)**	**($0.16)**	**($0.16)**	**($0.16)**	**($0.15)**	**($0.61)**	**($0.31)**	**($0.12)**
YOY Growth	-	-	-	-	-	-	-	-
Basic and Diluted Shares Outstanding	201.1	205.0	207.0	209.0	211.0	208.0	375.0	425.0

Source: Zacks Investment Research, Inc. *David Bautz, PhD*

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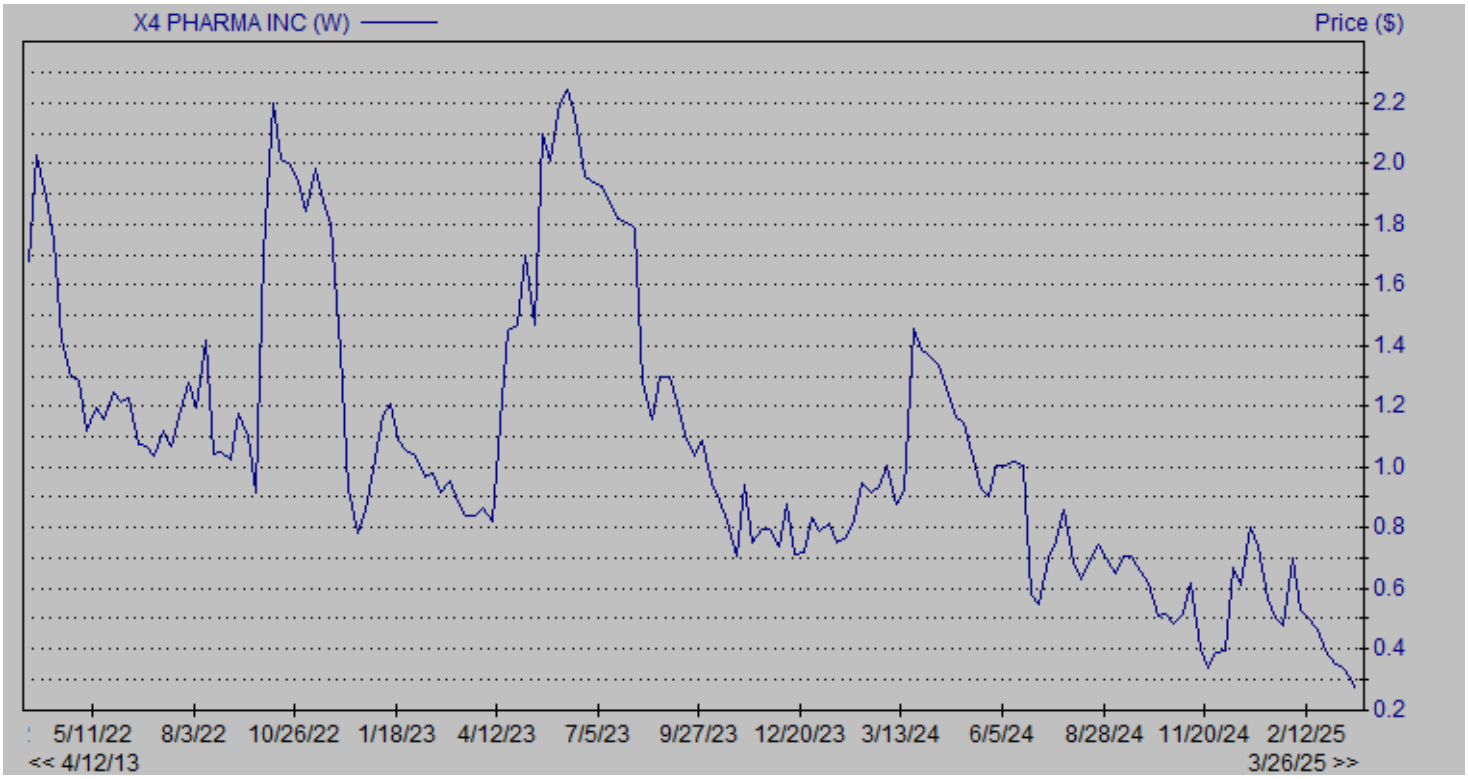
HISTORICAL STOCK PRICE



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