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Zacks Small-Cap Research

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Nurexone Biologic (OTCQB:NRXBF—TSXV:NRX)

NRXBF: Test Results Show Vision Recovery

NRXBF is a preclinical stage biotech company developing a treatment for spinal cord injuries. We value NRXBF at $3.50/share using the discounted cash flow method and a 20% discount rate.

Current Price (10/10/25)	$0.69
Valuation	**$3.50**

OUTLOOK

NurExone (OTC-NRXBF) is a preclinical stage biotech company that is developing a breakthrough treatment for spinal cord injuries that has the potential to dramatically improve lives. The technology involved also has the potential to more efficiently get other treatments to the needed area.

The company announced that tests on its signature product, ExePTEN, showed that it produced a reproducible, dose-dependent therapeutic effect in an eye model of glaucoma. This is a key finding and represents a significant step toward human testing.

SUMMARY DATA

52-Week High	**$0.78**
52-Week Low	**$0.38**
One-Year Return (%)	**69.44**
Beta	**N/A**
Average Daily Volume (sh)	**14,395**
Shares Outstanding (mil)	**82**
Market Capitalization ($mil)	**$57**
Short Interest Ratio (days)	**1**
Institutional Ownership (%)	**N/A**
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 2024 Estimate	**N/A**
P/E using 2025 Estimate	**N/A**

Risk Level	**High**
Type of Stock	**Small-Cap**
Industry	**Biotech**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	NA	NA	NA	NA	0 A
2024	0 A	0 A	0 A	0 A	0 A
2025	0 E	0 E	0 E	0 E	0 E
2026	0 E	0 E	0 E	0 E	0 E

Earnings per share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	NA	NA	NA	NA	-0.08 A
2024	-0.02 A	-0.04 A	-0.02 A	-0.01 A	-0.08* A
2025	-0.02 A	-0.02 E	-0.02 E	-0.02 E	-0.08 E
2026	-0.02 E	-0.02 E	-0.01 E	-0.01 E	-0.06 E

*Difference due to rounding

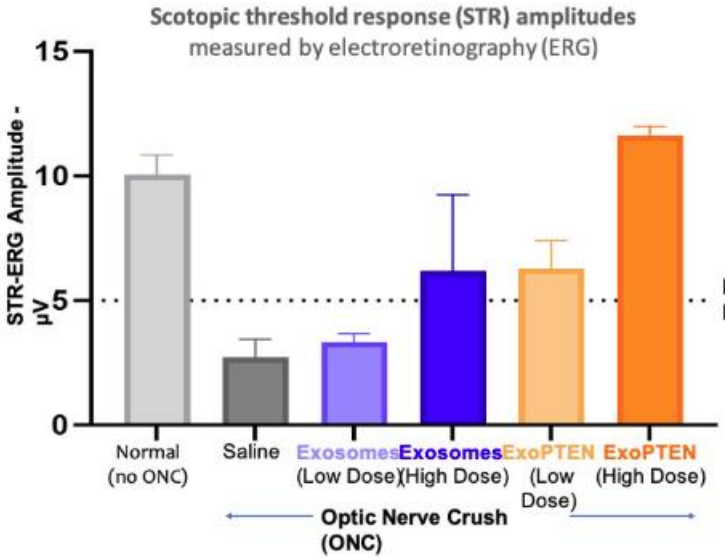
Update

NurExone is developing a product known as ExoPTEN that is designed to treat patients with acute spinal cord injuries, while also conducting preclinical tests for other conditions that ExoPTEN may be able to treat, such as glaucoma. On that latter point, the company, the company recently announced some preclinical results that show great promise and help to further demonstrate the potential uses of ExoPTEN.

Before getting into these exciting results, we briefly want to touch on the 2Q financial results recently released. These results show an improved cash position, a continued clean balance sheet with low liabilities and a commitment to controlling expenses—continuing the good management practices we have seen with NurExone's throughout their history.

In a preclinical study conducted at the Goldschleger Eye Institute at Sheba Medical Center, test demonstrate that ExoPTEN's biological activity increases with higher dosing levels. This is a significant finding as reproducibility is a key challenge, and these results confirm that ExoPTEN meets that standard. Further, functional measurements of retinal activity using scotopic threshold response electroretinography (STR-ERG) showed that both ExoPTEN doses improved visual signal strength in animals with optic nerve injury, with the high-dose group achieving response amplitudes comparable to those of uninjured eyes. This result demonstrates substantial functional recovery and, according to management, provides clear evidence of a dose-dependent therapeutic effect that aligns with ExoPTEN's proposed biological mechanism.

The figure below depicts scotopic threshold response (STR) amplitudes measured by electroretinography (ERG) in rats subjected to optic nerve crush (ONC) and treated with exosome-based formulations. The y-axis shows STR amplitude (µV), representing retinal ganglion cell function, while the x-axis displays experimental groups. Eyes with ONC were treated with low-dose or high-dose ExoPTEN (exosomes loaded with PTEN siRNA).



Source: NurExone.com

As the figure shows, low dose and high dose exosomes produced some mild improvement, but the high dose ExoPTEN treatment resulted in an extemely high recovery rate. This bodes well for its potential to

target and treat conditions such as glaucoma and moves the treatment one major step closer to human trials.

Company management also recently announced that its preclinical study on ExoPTEN for the treatment of spinal cord injuries demonstrated that higher doses of the treatment led to regained motor function after a spinal cord injury. The study was conducted on small animals, which were given differing doses of ExoPTEN on the day of spinal compression surgery. The results show that 100% of animals treated with the higher dose regained walking ability in both front and hind legs, while only 1 out of 6 of the untreated animals achieved that milestone. This is an exciting result and provides further proof of the potential for ExoPTEN to be game-changing treatment.

To further the process, the company plans to initiate a Phase 1/2a clinical trial in the area of acute spinal cord injuries for ExoPTEN in 2026. Management detailed the study plans as involving adult patients with traumatic spinal cord injuries between spinal level C5 and T10. Those patients will be treated within 3-to-7-day post injury. This marks a significant step forward for the company in our view and, given the preclinical results that we have outlined, we expect the trial to yield exciting results.

The company's ExoPTEN therapy has received the Orphan Medicinal Product Designation by the European Medicines Agency (EMA). According to the company, the EMA's Orphan Medicinal Product Designation offers incentives, including ten years of market exclusivity upon approval, access to grants and incentives from the European Commission and member states. Additionally, the company may benefit from free or reduced-cost scientific advice and assistance with clinical trial design, which can streamline the regulatory process and reduce development costs. Lastly, some European Union countries also provide tax credits and other financial incentives to support orphan drug development.

As we've noted before, the company received the Orphan Drug Designation for ExoPTEN in 2023 from the FDA in the United States. This designation was created by the FDA which noted that supporting the development and evaluation of new treatments for rare diseases is a key priority for the agency. The FDA has authority to grant orphan drug designation to a drug or biological product to prevent, diagnose or treat a rare disease or condition. Orphan drug designation qualifies sponsors for incentives including:

- Tax credits for qualified clinical trials
- Exemption from user fees
- Potential seven years of market exclusivity after approval

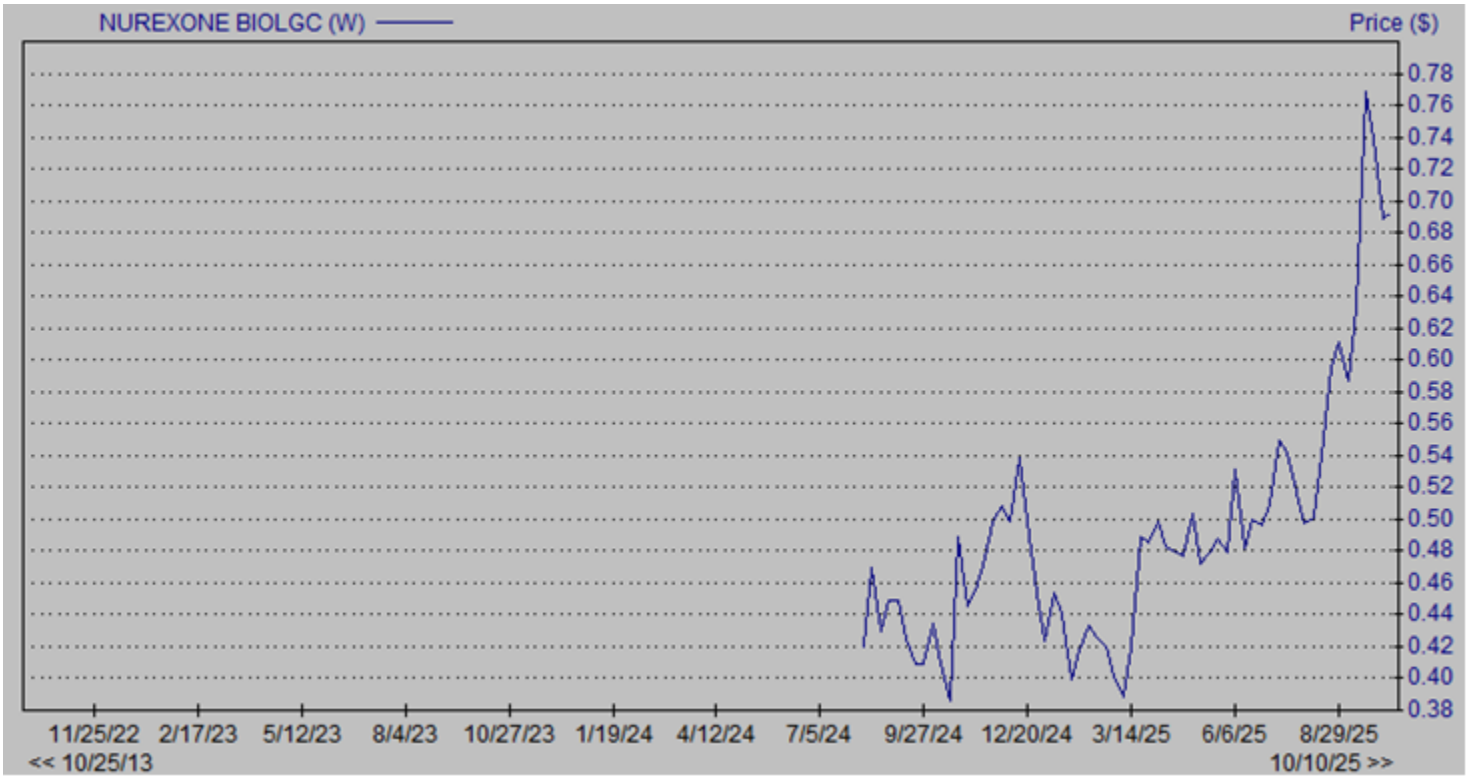
It was earlier test results from the use of ExoPTEN that sparked our enthusiasm for the company, because the initial test results are, in our view, truly remarkable. This isn't a potential treatment that was arrived at quickly or easily as research began at the University level and was conducted between January 2017 and May 2020, including testing the use of intranasal administration of exosomes driven from mesenchymal stem cells loaded with siRNA (a process that is described in more detail below). Testing targeted a complete spinal cord transection in rats, which is the strictest animal testing model, successfully demonstrating significant functional recovery. The company notes that the technology is successfully proven in additional preclinical studies, demonstrating that intranasal administration of ExoPTEN led to significant motor improvement, sensory recovery, and faster urinary reflex restoration. As mentioned, the research began at the University level and the Company has been granted an exclusive worldwide license from the Technion and Tel Aviv University, which includes a patent application, to develop and commercialize the technology. In addition, the Company has developed its own intellectual property and now has five families of patents.

We continue to be enthusiastic about the prospects for NurExone and suggest that US investors follow the Canadians and look into NRXBF. We urge investors with a higher risk tolerance to take a look at NRXBF and consider whether this compelling story may be of interest.

PROJECTED INCOME STATEMENT & BALANCE SHEET

Nurexone Biologic Income Statement and Balance Sheet (US $ in thousands, except per share data)										
		1Q2024A	2Q2024A	3Q2024A	4Q2024A	1Q2025A	2Q2025A	3Q2025E	4Q2025E	2026E
Revenues										
Operating Expenses										
	General and administrative	695	1,507	782	157	1,082	2,207	2,229	2,251	3,128
	Research and development	225	733	503	407	618	1,315	1,328	1,341	1,628
Loss from operations		920	2,240	1,285	564	1,700	3,522	3,557	3,593	4,756
Other income and (expenses)										
	Finance (income)/expense	2	28	2	2	(22)	2	0	0	0
	Other income, net	45	-21	-69	202	0	0	0	0	0
Total other (income) and expenses, net		47	7	(67)	204	(22)	2	0	0	0
Other comprehensive (gain)/loss		0	0	0	0	16	(156)	0	0	0
Net loss		967	2,247	1,218	768	1,694	3,368	3,557	3,593	4,756
Basic and diluted loss per share		$ 0.02	$ 0.04	$ 0.02	$ 0.01	$ 0.02	$ 0.04	$ 0.05	$ 0.05	$ 0.06
Basic and diluted wtd avg common shares		56,528,121	61,488,044	63,528,644	65,417,289	73,605,050	76,033,223	76,109,256	76,185,365	76,261,551
Assets										
Current Assets:										
	Cash	3,255	2,385	2,523	700	588	1,228	1,167	1,108	1,053
	Securities and other current assets	422	399	300	934	776	725	689	654	622
Total Current Assets		3,677	2,784	2,823	1,634	1,364	1,953	1,855	1,763	1,674
Property, Plant and Equipment, net		394	445	736	759	740	778	762	747	732
Right-of-use assets		71	63	55	48	36	133	130	128	125
Other assets		-	-	-	-					-
Total Assets		4,142	3,292	3,614	2,441	2,140	2,864	2,748	2,638	2,532
Liabilities and stockholder equity										
Current liabilities:										
	Accounts Payable	102	371	263	232	366	678	692	705	719
	Other current liabilities	260	175	172	166	187	329	336	342	349
Total Current Liabilities		362	546	435	398	553	1,007	1,027	1,048	1,069
Long-term Liabilities:										
	Royalty Payments	78	64	71	78	56	36	36	35	35
	Liability Assoc. With Gov't Grants	-	-	149	173	184	198	200	202	204
	Lease Liability	71	107	31	31	31	91	92	93	94
Total long-term liabilities		149	171	251	282	271	325	328	330	333
Total liabilities		511	717	686	680	824	1,332	1,355	1,378	1,401
Stockholders Equity										
	Equity reserves	2,113	1,197	2,699	1,395	1,681	1,403	1,417	1,431	1,446
	Additional Paid-in capital	16,497	17,682	17,783	19,466	20,413	22,753	23,208	23,672	24,146
	Accumulated Deficit	(14,979)	(16,304)	(17,554)	(19,100)	(20,778)	(22,624)	(23,303)	(24,001)	(24,230)
Total stockholders equity		3,631	2,575	2,928	1,761	1,316	1,532	1,322	1,103	1,361
Total liabilities and stockholder equity		4,142	3,292	3,614	2,441	2,140	2,864	2,894	2,827	2,763

HISTORICAL STOCK PRICE



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