Jan 22, 2025

Healthcare

NTRB

NASDAQ

Rating

Outperform

Initiation

Current Price

$5.21

Target Price

$13.00

Market Capitalization

57.86M

Shares Outstanding

11.11M

Float

5.05M

Institutional Holdings

2.38%

12-Month Low/High

$2.22/$9.60

Average 90-Day Volume

24930

Fiscal Year End

1/31/2025

Revenues ($ MIL)

Period	2024	2025E	2026E
Q1	477	409	710
Q2	656	443	760
Q3	428	646	790
Q4	525	710	11,825
	2,085	2,297	14,085

EPS ($)

Period	2024A	2025E	2026E
Q1	(0.13)	(0.21)	(0.13)E
Q2	(0.11)	(0.15)	(0.16)E
Q3	(0.22)	(0.12)	(0.19)E
Q4	(0.17)	(0.12)E	(0.08)E
	(0.69)	(0.60)E	(0.56)

Nutriband

Initiating Coverage With An Outperform Rating And $13 Price Target

We Are Initiating Coverage With An Outperform Rating. Nutriband, Inc. is a pharmaceutical company developing transdermal patch technologies for drug delivery. Its proprietary technology, known as AVERSA, has abuse-deterrent features with important differences from other transdermal patches on the market. The lead product is AVERSA Fentanyl, an abuse-deterrent transdermal patch for delivering fentanyl that improves safety, compliance, and patient comfort.

Only One Clinical Trial Is Required For the 505 (b)(2) New Drug Application. AVERSA Fentanyl can follow the 505(b)(2) regulatory pathway with only a single Phase 1 clinical abuse potential study required to support the new label claims. We expect this study to begin in 1H25, announce results in 2H25, and file an NDA around YE2025 to early 2026.

Development Collaboration With Kindeva Drug Delivery. Nutriband has a partnership with Kindeva Drug Delivery, formerly part of 3M, to add the AVERSA technology to Kindeva's transdermal fentanyl patch. The AVERSA abuse deterrent technology uses taste and sensory aversion to prevent abuse of opioid based transdermal patches. Since an estimated 70% of the fentanyl abuse is through oral delivery, this could be a highly effective means to stop misuse.

Proprietary Technology Could Improves Fentanyl Access For Chronic Pain. We believe the AVERSA Fentanyl patch could prevent abuse and accidental misuse of fentanyl transdermal patches. The increased safety could allow decreasing restrictions on their use, and improve access for patients with severe chronic pain.

Conclusion. We believe the Phase 1 clinical trial will show sufficient abuse deterrence to allow for Nutriband to file a New Drug Application using the 505(b)(2) pathway for approval in 2H25. We have allowed for a 10-month standard review, although Priority Review could potentially shorten review time to 6 months. We anticipate approval in 2H26. We base our valuation on FY2027 EPS of $1.45 per share discounted at 30% per year and apply a multiple of 15X for a price target of $13 per share.

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Refer to the last two pages for Analyst Certification & Disclosures

Nutriband (NTRB) | Current Price: $5.21 | Outperform | Jan 22, 2025

Investment Thesis

Lead Product Improves Abuse Deterrence and Safety Of Fentanyl Patches. Nutriband is a pharmaceutical company developing transdermal patch technologies for improved drug delivery. The proprietary technology, known as AVERSA, can be added to existing transdermal patches to deter abuse or misuse. This technology makes the active drug more difficult to extract from unused patches or to reuse residual amounts in discarded patches.

AVERSA, the **A**buse Di**VER**sion, Mi**S**use and **A**ccidental Exposure technology, is a separate layer added to a transdermal patch. The aversive agents do not contact or mix with the therapeutic drug and remain separated in the patch. When used as directed, they are never released from the patch and do not contact patient's skin. The AVERSA technology can be added to any transdermal patch to improve safety, efficacy, and patient comfort.

Nutriband has collaborated with Kindeva Drug Delivery, a Contract Development and Manufacturing Organization (CDMO) that was formerly the 3M Drug Delivery division. Kindeva has a history of pharmaceutical innovation and manufactures millions of transdermal patches for worldwide distribution. It is one of several companies that currently markets generic fentanyl transdermal patches.

Kindeva and Nutriband have collaborated to develop a fentanyl patch that adds AVERSA to Kindeva's currently marketed fentanyl patch. We believe the addition of the AVERSA technology to fentanyl patches would improve the abuse resistance and safety of the current FDA-approved transdermal fentanyl patch. This would reduce the risk of misuse, giving these patches an advantage in the marketplace.

Clinical Development. Nutriband and Kindeva conducted feasibility studies to evaluate the addition of the AVERSA technology to Kindeva's FDA-approved fentanyl patches. These preclinical studies demonstrated that the AVERSA technology was able to improve abuse deterrence. It also showed the coating can be manufactured at commercial scale using standard transdermal processes without extensive modifications.

Following the results of the feasibility studies, Kindeva and Nutriband formed their second collaborative agreement to develop the manufacturing process for commercialization. The two companies began the technology transfer from Kindeva's R&D facility to its Northridge California commercial-scale manufacturing site. Nutriband began preparing for a clinical trial to demonstrate abuse deterrence for an NDA. Upon approval, Kindeva will manufacture and supply Nutriband with the AVERSA Fentanyl patches. Nutriband will market the product and record product sales.

We See A Marketing Advantage For AVERSA Over Other Fentanyl Patches. The opioid crisis has led to increased regulatory scrutiny from both the FDA and the Drug Enforcement Administration (DEA). In attempts to reduce opioid addiction, regulators have reduced the availability of opioid drugs and required abuse resistant technologies when possible.

As pharmaceutical companies produced less opioid drugs and doctors became reluctant to prescribe them, the supply of pharmaceutical grade opioids available to addicts decreased. One of drugs that became a substitute was fentanyl, a morphine derivative. Fentanyl is 10-times more potent than heroine, easy to manufacture, and easy to smuggle. This has made it a common opioid for recreational use and abuse.

Fentanyl has been used for many years to treat patients with moderate to severe chronic pain that have developed a tolerance to other opioids. Transdermal patches were developed to provide constant, sustained delivery levels administered through the patient's skin. These patches also avoided prescribing pills and capsules that could be easily misused, abused, or resold. The patches currently on the market do not have abuse deterrent formulations, allowing active drug to be extracted by physical or chemical processes. Discarded patches may contain residual drug for abuse by applying them to the buccal surface of the cheek, soaking the patches to dissolve the drug, or by making tea.

We believe the abuse deterrent feature of the AVERSA Fentanyl patches would be a strong advantage in the marketplace. Our revenue estimates for AVERSA Fentanyl are conservative and assume it takes a small share of the existing market, estimated at $800 million in annual sales. We believe that once the Nutriband abuse-deterrent patch receives FDA approval, third-party payers and prescribers may perceive it to be a safer, lower risk version. This could lead to increased market share as well as expanded use in managing chronic pain.

AVERSA Fentanyl Development Uses The 505(b)(2) Route For Approval. The AVERSA technology adds a new delivery method to an FDA-approved active compound. This allows the product to follow the 505(b)(2) pathway for FDA approval, which is shorter and simpler than the approval pathway for a new chemical entity such as a small molecule or biologic. The New Drug Application (NDA) can reference previous clinical trial data from the approved active compound to establish efficacy and safety. This commonly used for generic drugs, new technologies, or delivery methods that create a new formulation based on a previously approved active compound.

After meetings with the FDA, Nutriband began preparing for the AVERSA Fentanyl NDA. The application only requires a single Phase 1 trial to demonstrate abuse deterrence. The trial has been designed to generate data necessary to support labeling for abuse deterrence, with reference to the Duragesic fentanyl transdermal patch for the necessary efficacy and safety data.

The Phase 1 trial is expected to begin in 1H25. We have allowed 6 months for completion, with an NDA submission expected around year-end 2025 to early 2026. Our valuation allows for the standard review time of 10 months, however, the importance of abuse deterrence for fentanyl patches could justify 6-month Priority Review designation from the FDA.

Additional Pipeline Products. The AVERSA technology can be added to any existing transdermal patch. The Nutriband product development program includes formulations to deliver drugs that can be abused, accidentally misused, orally available, or require injection. An AVERSA formulation has been developed to deliver buprenorphine, an opioid used to treat addiction. The AVERSA technology would ensure proper dosing with abuse resistance to prevent patients from increasing or missing their doses. Separately, an AVERSA patch has been developed to deliver methylphenidate, an oral amphetamine widely used for attention deficit hyperactivity disorder (ADHD). This could increase compliance, ensure steady dosing at proper levels, and avoid accidental dosing from discarded patches.

Company Structure. Nutriband has grown through increasing sales and acquisitions. It maintains three divisions with different programs. The 4P Therapeutics division is the clinical development and regulatory division that is developing the AVERSA technology and products. Pocono Pharmaceuticals is the subsidiary that manufactures over-the-counter patches under contract for customers. The Active Intelligence subsidiary produces “white label” products for customers including sports products and kinesiology adhesive tapes. These revenues from these divisions are intended to partially offset product development costs. This has kept operating losses low, reducing the need to raise capital. We do not expect the customer contracts to be significant revenue generators.

Upcoming Milestones. We expect the stock to be driven by clinical milestones from the AVERSA Fentanyl pathway to the NDA submission and product approval. The Phase 1 clinical trial is expected to start in 1H25, announce results in 2H25, followed by an NDA submission in late 2025 to early 2026. We have allowed for standard FDA review time of 10 months, although the agency could fentanyl abuse resistance a high priority that justifies Priority Review in 6 months. Our valuation is based on FY2027 EPS, the first full year of sales.

Conclusion. We believe the AVERSA technology can improve abuse deterrence for transdermal fentanyl patches. We project product approval and introduction in late FY2026, and base our revenue estimates taking on market share from generic transdermal patches. The increased safety and reducing the risk of misuse or abuse could allow prescriptions for more patients that need chronic pain relief, leading to expansion of the market. This would lead to upward revisions to our estimates. We base our valuation on FY2027 EPS of $1.45, discounted at 30% to allow for clinical and regulatory risk., then apply a multiple of 15X for a price target of $13 per share.

Company Description and Background. Nutriband Inc. was formed in January 2016 to acquire Nutriband Ltd, an Irish company developing transdermal patches for use in health and wellness. The company founder, Gareth Sheridan, remains Chief Executive Officer of the company. Nutriband is headquartered in Orlando, Florida with its manufacturing facility in North Carolina. The company has been publicly traded on the NASDAQ since October 2021.

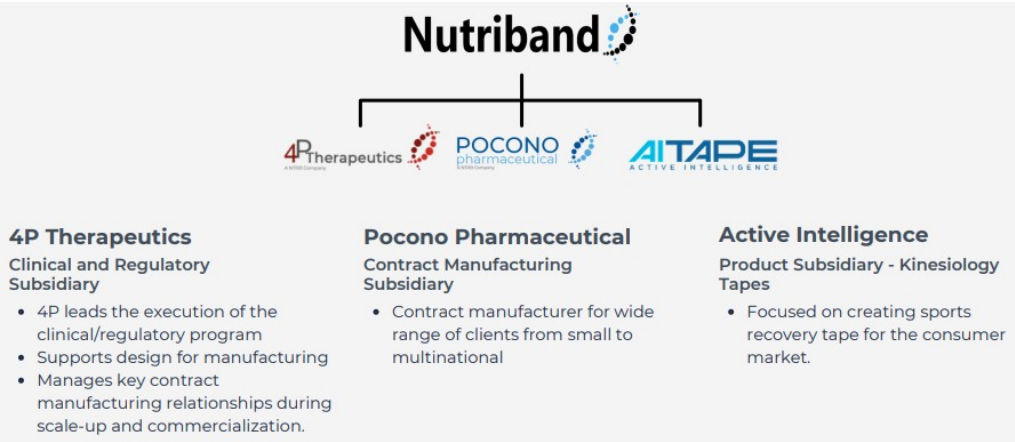
Nutriband began by developing a line of consumer and health products delivered through a transdermal or topical patch. In August 2018, its acquisition of 4P Therapeutics added pharmaceutical transdermal products for delivering prescription drug through the skin that had been only available as injections. It has developed a proprietary technology for abuse deterrence is known as AVERSA, a name that comes from **A**buse Di**VER**sion Mi**S**use and **A**ccidental exposure. This technology is protected by patents in 45 countries around the world.

The AVERSA technology consists of a layer containing abuse-deterrent substances. This layer can be added to any existing transdermal patch to prevent extraction of the active drug by physical or chemical methods. The products in development add the AVERSA layer to existing transdermal patches that deliver opioids or stimulants that are susceptible to abuse and misuse.

Clinical Development Partnership With Kindeva. Nutriband is developing AVERSA Fentanyl with Kindeva Drug Delivery, a Contract Development and Manufacturing Organization (CDMO) previously known as 3M Drug Development. The collaboration began with a feasibility study to determine if the AVERSA technology could be added to Kindeva's manufacturing process for transdermal patches and its FDA-approved fentanyl patches. This study showed enhanced abuse deterrence, and demonstrated that the AVERSA coating could be manufacturing using standard transdermal processes.

Following these studies, the two companies formed a second agreement to develop the commercial-scale manufacturing process and clinical supplies. The process of technology transfer from Kindeva's R&D facility to their Northridge California manufacturing site has started. Nutriband began discussions with the FDA to determine the requirements for an NDA application.

Exhibit 1. Nutriband Maintains Three Divisions. In addition to developing the AVERSA Fentanyl patch, the 4P Therapeutics division performs contract research and development related services for pharmaceutical and medical devices customers. Pocono Pharmaceuticals division provides contract manufacturing services for health, wellness and over-the-counter pharmaceutical customers. Active Intelligence produces sports products and kinesiology tape products.



Source: Nutriband Inc.

Nutriband maintains three subsidiaries:

- 4P Therapeutics is the division that runs the clinical and regulatory programs, including AVERSA development and clinical operations. The acquisition of 4P Therapeutics included a research pipeline of other transdermal products, including novel transdermal products that involve delivery of peptides and proteins through the skin. 4P Therapeutics generates revenue from contract research and development services including regulatory, formulation/analytical consulting, and studies on early-stage drugs and devices.
- Pocono Pharmaceuticals is the contract manufacturing subsidiary in Cherryville, North Carolina. This produces patches under customer contracts. Its clients include the KT Tape and FFL.
- Active Intelligence is a product subsidiary producing Kinesiology Tapes, including the InHouse Sports and Kinesiology Tape Brand.

In August 2020, Nutriband acquired Pocono Coated Products, the manufacturer of topical and transdermal products that had been making products for Nutriband under contract. Upon the acquisition, it became Nutriband's Pocono Pharmaceuticals division. The acquisition included the plant in North Carolina, intellectual property and trade secrets, and all other assets including Active Intelligence LLC.

In addition to developing AVERSA Fentanyl, these divisions provide development and manufacturing services to pharmaceutical companies. Revenue from these clients is not significant, and is only intended to offset research and development expenses for the new products. There are no long-term contractual obligations, and the contracts can be terminated at any time if the company's strategic priorities change. These revenues have helped to keep the net losses low and avoid the need to raise capital. The number of shares outstanding has remained low, providing future leverage for earnings.

Development of AVERSA Fentanyl

The Opioid Crisis Has Made Fentanyl A Commonly Abused Drug. Fentanyl is a synthetic opioid that is 10-times stronger than heroine and 100-times stronger than morphine. It was originally introduced for surgical anesthesia and management of severe chronic pain in patients that had developed tolerance to other opioids. Widespread overprescribing of opioid drugs began in the early 2000s and led to the opioid crisis, with abuse of outpatient drugs like oxycontin. In response, Federal agencies tightened restrictions on opioid production, reduced the supply of opioid drugs, and increased scrutiny of the doctors who prescribed them. This reduced the availability of opioid drugs for all medical uses.

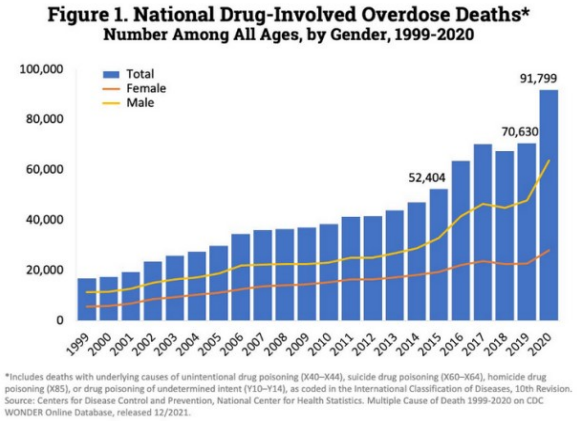
As opioids from pharmaceutical companies became more difficult to obtain, any available opioids were seen as substitutes. Fentanyl's high potency and relatively easy synthesis made it a common drug for illegal production. It soon became a widely abused street drug in its pure form or mixed with other drugs.

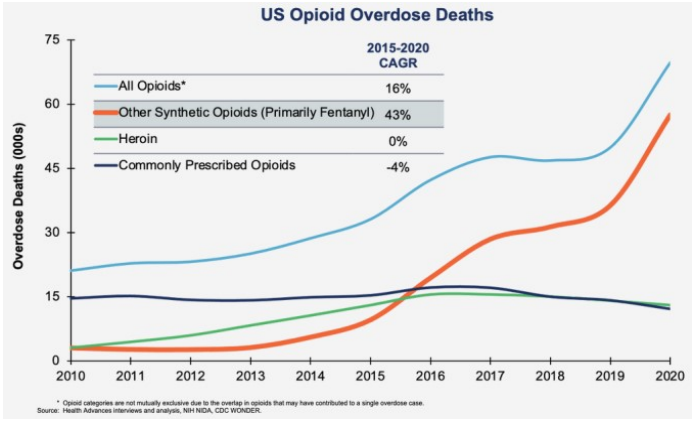
Transdermal Patches Can Become A Source Of Fentanyl For Abusers. Transdermal patches are designed to provide an alternative to oral delivery. Many drugs can be delivered with transdermal patches to provide steady dosing, with enough supply of drug to last for one to seven days. This provides steady dosing, improved compliance, and patient convenience.

Transdermal patches to deliver fentanyl were developed to provide uniform drug levels for consistent pain relief over a 24-hour period. These patches can contain enough drug to last up to seven days for managing moderate to severe chronic pain. There are currently several generic fentanyl patches on the market but none of them have abuse-deterrent formulations. Due to the high potency of fentanyl, the quantity of drug in the patch, and its ease of abuse, the current fentanyl patches have become a target for recreational drug abusers. The fentanyl can be extracted from the patch by physical separation or chemical processes that dissolve and recover the drug.

Discarded Patches Can Lead To Accidental Exposure. Accidental exposure to medication is a leading cause of poisoning in children. The CDC and FDA have recorded cases of accidental fentanyl exposure in toddlers and small children who found used drug patches in the trash. The children put them in their mouths or stuck them onto their skin and absorbed residual amounts of fentanyl left in the patch. The opioid effect slows the child's breathing, decreasing oxygen levels in their blood. This accidental exposure has caused at least 12 deaths and dozens of hospitalizations for young children. Although less of a concern, pets have also been reported to find discarded patches in the trash and ingest the remaining opioids.

Exhibit 2. There Is Continued Need For Improved Abuse Deterrence. When restrictions on opioid prescription were relaxed in 2019, overdoses increased. In 2020, the number of overdoses exceeded 100,000 in the US for the first time. The right panel shows how deaths from fentanyl overdoses have increased while overdoses from other opioids have decreased.





Source: Nutriband Inc.

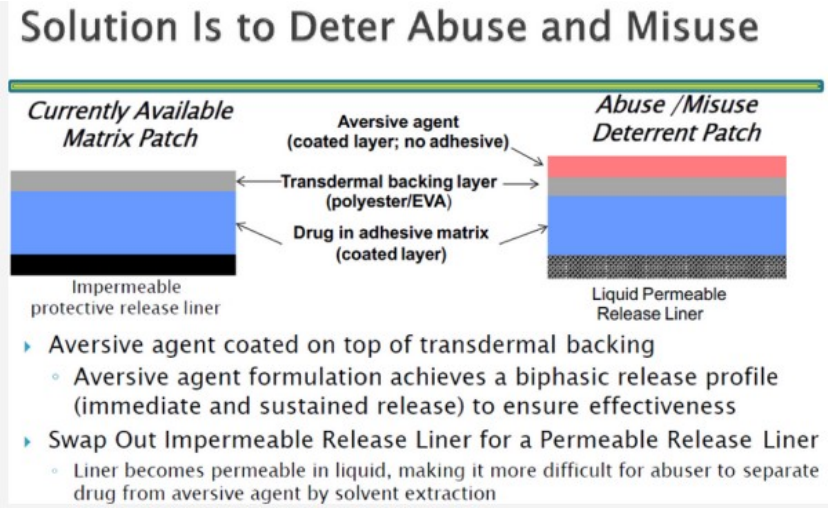
AVERSA Abuse Deterrent Transdermal Technology. Nutriband has developed AVERSA as an abuse-deterrent technology that can be added to any existing transdermal patch. The AVERSA Fentanyl patch has important differences from other transdermal patches on the market. This formulation is designed to prevent both extraction of the drug from the patch as well as accidental misuse. We believe the improvement in safety may allow patients with chronic pain to receive the relief it can provide.

AVERSA is a thin, separate layer that is coated onto the backing of a transdermal patch. It remains physically separated from the active drug, and is not delivered to the patient's skin when wearing the patch. The layer combines two aversive agents, denatonium benzoate and capsaicin. These compounds have biphasic release profiles with both immediate and sustained release to ensure effectiveness. Unless tampered, both agents remain in the separate layer and maintain their availability even after the patch is used.

If released, denatonium benzoate gives a very bitter taste while capsaicin gives a burning sensation. Both aversive agents have high potency and established safety but make attempts at extraction a very foul-tasting, unpleasant experience. Since an estimated 70% of the fentanyl abuse is through oral delivery, we believe this would be an effective means to stop attempts to swallow or absorb the drug orally. This also reduces potential for accidental misuse by children and pets.

The AVERSA layer makes it much more difficult to extract the active drug from the patches or even recover residual amounts from discarded patches. The lining layer will dissolve in liquid, making it more difficult to separate drug by solvent extraction or if it were used to make tea.

Exhibit 3. Current Transdermal Patches Compared With AVERSA. The AVERSA technology has layers containing its aversive agents coated on top of transdermal backing.



Source: Nutriband Inc.

AVERSA Fentanyl Will Follow The 505(b)(2) Approval Pathway. Since AVERSA Fentanyl is a new technology added to modify delivery of an approved transdermal patch, it can follow the 505(b)(2) regulatory pathway. AVERSA Fentanyl adds the aversive agents as a separate layer without mixing or contacting the therapeutic drug. There are no changes to the fentanyl depot so its safety, release characteristics, and pharmacokinetics are unaffected. This allows the New Drug Application (NDA) to reference data from a previous clinical trial for Duragesic, the first transdermal fentanyl patch approved by the FDA.

AVERSA Fentanyl development has included preclinical laboratory and clinical studies to demonstrate its abuse deterrence and chemical extraction properties. The NDA application requires only a single Phase 1 clinical study to determine human abuse potential. No Phase 2 or 3 clinical trials are needed. Studies to test clinical abuse potential are typically designed to demonstrate that the abuse-deterrent product is less preferable to recreational drug abusers. We expect the Phase 1 study to recruit roughly 25 to 50 recreational drug abusers who will compare AVERSA Fentanyl with generic fentanyl patches that do not have abuse-deterrent technology. This trial is scheduled to begin in 1H25. Allowing six months for the trial, we anticipate results could be announced in 2H25 with the NDA submission in late 2025 to early 2026.

Pipeline Products in Development. The AVERSA technology can be added to any transdermal patch. Although the company has put its resources behind the development of AVERSA Fentanyl, additional products have been developed using its transdermal drug delivery technologies.

New transdermal products are being developed for approved drugs that are off-patent but have a risk or history of abuse, misuse or accidental exposure. These are also expected to follow the 505(b)(2) pathway. Two early stage AVERSA formulations have been developed to deliver buprenorphine, an opioid, and methylphenidate, a central nervous system stimulant:

- Buprenorphine is an opioid used to treat opioid addiction, acute pain, and chronic pain. It can be administered by injection, orally, using a transdermal patch, or by implant. For opioid addiction, it is used to manage withdrawal symptoms during the initial treatment. For longer term treatment of addiction, a combination formulation of buprenorphine with naloxone is used to prevent misuse by injection.
- Methylphenidate is a central nervous system stimulant used for the treatment of attention deficit hyperactivity disorder (ADHD) and narcolepsy. It is available from several manufacturers with brand names (such as Ritalin or Concerta) in oral form, and in transdermal patch form known as Daytrana.

Valuation and Financial Projections

We base our revenue forecast on the start of the single Phase 1 clinical trial in 1H25 to test the abuse deterrence of the AVERSA Fentanyl patch. We allow six months for the results, although the announcement could come sooner. We anticipate results in 2H25 to be followed by an NDA submission in late 2025 to early 2026.

We have allowed for the standard NDA review time of 10 months. If FDA determines that the abuse-deterrent AVERSA patch qualifies for Priority Review, the review time could be shortened to 6 months. This would allow for earlier launch and provide additional revenues sooner than we anticipate. Our valuation is based on FY2027 EPS, the expected first full year of sales.

We have based our revenues on AVERSA Fentanyl competing with the generic transdermal fentanyl patches that cost about $400 in the marketplace. Although we believe the abuse deterrent feature of the AVERSA patch could justify a premium of 20% to 50% over the generic patches, our models price the patches at a 20% premium. Pricing at the lower end of the range may encourage faster third-party reimbursement decisions and help market share in the initial year of launch.

Once the AVERSA Fentanyl patch becomes available, its increased safety could address concerns about abuse and accidental misuse. The perception of lowered risk could make the Nutriband abuse-deterrent patch the standard of care, taking additional market share from generic patches and allowing use by more patients. This would represent upside for our estimates, as our revenues are based on small market penetration with no expanded use in the marketplace.

Financial Models. Under the collaboration with Kindeva, revenues will be recorded by Nutriband with Kindeva manufacturing and supplying the product. Our models include cost of goods starting at about 60% then decreasing to 50% as sales volume increases. This reflects Nutriband's cost-plus price from Kindeva with an expected mid-single-digit royalty on sales.

We expect Nutriband to market AVERSA Fentanyl with a specialty sales force in the US and partner with other companies for ex-US territories. We have not included any milestone payments from partnering agreements or royalties from the sales at this time. Our Marketing and General expenses increase over 2026 to allow for sales force hiring and training.

Our financial models have included increases in the share base, allowing for new capital to fund development and launch. Due to the low operating losses, we expect the share base to remain low. If partnership agreements for marketing in ex-US territories includes up-front payments, outside funding may not be necessary.

Conclusion. AVERSA Fentanyl has the potential to become the first transdermal fentanyl patch with abuse deterrent technology. We believe its approval would increase safety and preventing accidental misuse while reducing the supply of fentanyl extracted from patches for abuse. These improvements could allow the patches to be prescribed for more patients that need chronic pain relief. We project product approval and introduction in late FY2026, with sales growing as prescribers shift away from generic transdermal patches. Increased safety could lead to expansion of the market, although we have not included increased use in our projections at this time.

The company has controlled its expenses by focusing on development of AVERSA Fentanyl rather than developing several products at the same time. This has kept the share base low and avoiding dilutive stock offerings. It plans to follow AVERSA Fentanyl by advancing development of AVERSA patches for delivering buprenorphine and methylphenidate. This will depend on availability of sufficient capital and the market environment.

We expect the stock to be driven by clinical milestones from the AVERSA Fentanyl pathway to the NDA and product approval. Our timeframes for these events are intentionally conservative, with the start of the Phase 1 clinical trial in 1H25. An announcement of results could follow in 2H25, with an NDA submission in late 2025 to early 2026. We allow for a standard FDA review of 10 months, although the agency could determine fentanyl abuse resistance a high priority that justifies Priority Review in 6 months. Our price target is based on FY2027 EPS of $1.45 per share, discounted at 30% to allow for clinical and regulatory risk, with a multiple of 15X for a price target of $13 per share.

Company Profile

Nutriband, Inc. is a pharmaceutical company developing transdermal patch technologies for drug delivery. Its proprietary technology, known as AVERSA, has abuse-deterrent features. The lead product is AVERSA Fentanyl, an abuse-deterrent transdermal patch for delivering fentanyl that improves safety, compliance, and patient comfort.

Valuation Summary

We base our valuation on expectations for New Drug Application using the 505(b)(2) pathway to be filed late 2H25 or early 2026. Allowed for a 10-month standard review we anticipate approval and in 2H26. We assume AVERSA Fentanyl is priced at a premium to current transdermal fentanyl patches, and base our valuation on FY2027 EPS of $1.45 per share discounted at 30% per year with a multiple of 15X for a price target of $13 per share.

Nutriband Inc: Income Statement (in thousands, except per share data)													
Fiscal Year Ended January 31	**FY2024A**	**1Q25A**	**2Q25A**	**3Q25A**	**4Q25E**	**2025E**	**1Q26E**	**2Q26E**	**3Q26E**	**4Q26E**	**2026E**	**2027E**	**2028E**
Revenues													
Product sales													
AVERSA Fentanyl										11,000	11,000	92,000	177,000
Pocono Pharmaceuticals	1,920	409	443	646	710	2,207	710	760	790	825	3,085	3,410	3,410
4P Therapeutics	165												
Total Revenues	2,085	409	443	646	710	2,207	710	760	790	11,825	14,085	95,410	180,410
Expenses													
Cost of goods sold	**1,223**	**244**	**341**	**455**	**497**	1,537	**497**	**532**	**553**	**9,078**	10,660	51,882	90,887
COGS/Revenues							*70%*	*70%*	*70%*	*77%*	*76%*	*54%*	*50%*
AVERSA Fentanyl										8,500	8,500	49,495	88,500
COGS/Revenues										*60%*	*77%*	*54%*	*50%*
Pocono Pharmaceuticals	1,176	244	341	455	497	1,537	497	532	553	578	2,160	2,387	2,387
COGS/Revenues	*61%*	*60%*	*77%*	*70%*	*70%*	*70%*	*70%*	*70%*	*70%*	*70%*	*15%*	*70%*	*70%*
4P Therapeutics	47												
COGS/Revenues	*29%*												
Research and development	1,960	975	774	881	881	3,510	925	925	975	975	3,800	4,800	4,800
Selling, General & Administrative	**3,774**	1,080	737	737	763	3,317	1,044	1,488	1,802	2,816	7,150	26,658	46,284
AVERSA Fentanyl							250	600	650	1,450	2,950	19,500	36,100
Pocono Pharmaceuticals	606	154	167	174	185	680	195	208	220	234	857	1,023	1,023
4P Therapeutics	237	24	30	24	28	106	29	30	32	32	123	140	140
Corporate	2,930	901	540	540	550	2,531	570	650	900	1,100	3,220	5,995	9,021
Total expenses	**6,957**	**2,298**	**1,853**	**2,073**	**2,141**	**8,364**	**2,466**	**2,945**	**3,330**	**12,869**	**21,610**	**83,340**	**141,971**
Operating Income (Loss)	**(4,872)**	**(1,889)**	**(1,410)**	**(1,427)**	**(1,431)**	**(6,157)**	**(1,756)**	**(2,185)**	**(2,540)**	**(1,044)**	**(7,525)**	**12,071**	**38,440**
Interest income	17		77	68	52	198	40	45	37	34	156	181	247
Interest expense	(76)	(9)	(5)	(4)	(4)	(22)	(6)	(5)	(8)	(9)	(28)	(54)	(124)
Gain (Loss) on extinguishment of debt	(554)		(368)			(368)							-
	-					-							-
Total other income	**(613)**	**(9)**	**(296)**	**64**	**48**	**(192)**	**34**	**40**	**29**	**25**	**128**	**127**	**123**
Pretax Income	**(5,485)**	**(1,898)**	**(1,705)**	**(1,363)**	**(1,383)**	**(6,349)**	**(1,722)**	**(2,145)**	**(2,511)**	**(1,019)**	**(7,397)**	**12,198**	**38,563**
Net Income	**(5,485)**	**(1,898)**	**(1,705)**	**(1,363)**	**(1,383)**	**(6,349)**	**(1,722)**	**(2,145)**	**(2,511)**	**(1,019)**	**(7,397)**	**19,174**	**48,499**
GAAP EPS (basic)	**(0.69)**	**(0.21)**	**(0.15)**	**(0.12)**	**(0.12)**	**(0.60)**	**(0.13)**	**(0.16)**	**(0.19)**	**(0.08)**	**(0.56)**	**1.45**	**3.66**
GAAP EPS (diluted)	(0.69)	(0.21)	(0.15)	(0.12)	(0.12)	(0.60)	(0.13)	(0.16)	(0.19)	(0.08)	(0.56)	1.45	3.66
Weighted Average Shares (basic, inthou	7,954	9,160	11,062	11,102	11,113	10,609	13,124	13,137	13,150	13,164	13,144	13,197	13,249
Weighted Average Shares (diluted, in th	7,954	9,160	11,062	11,102	11,113	10,609	13,124	13,137	13,150	13,164	13,144	13,197	13,249

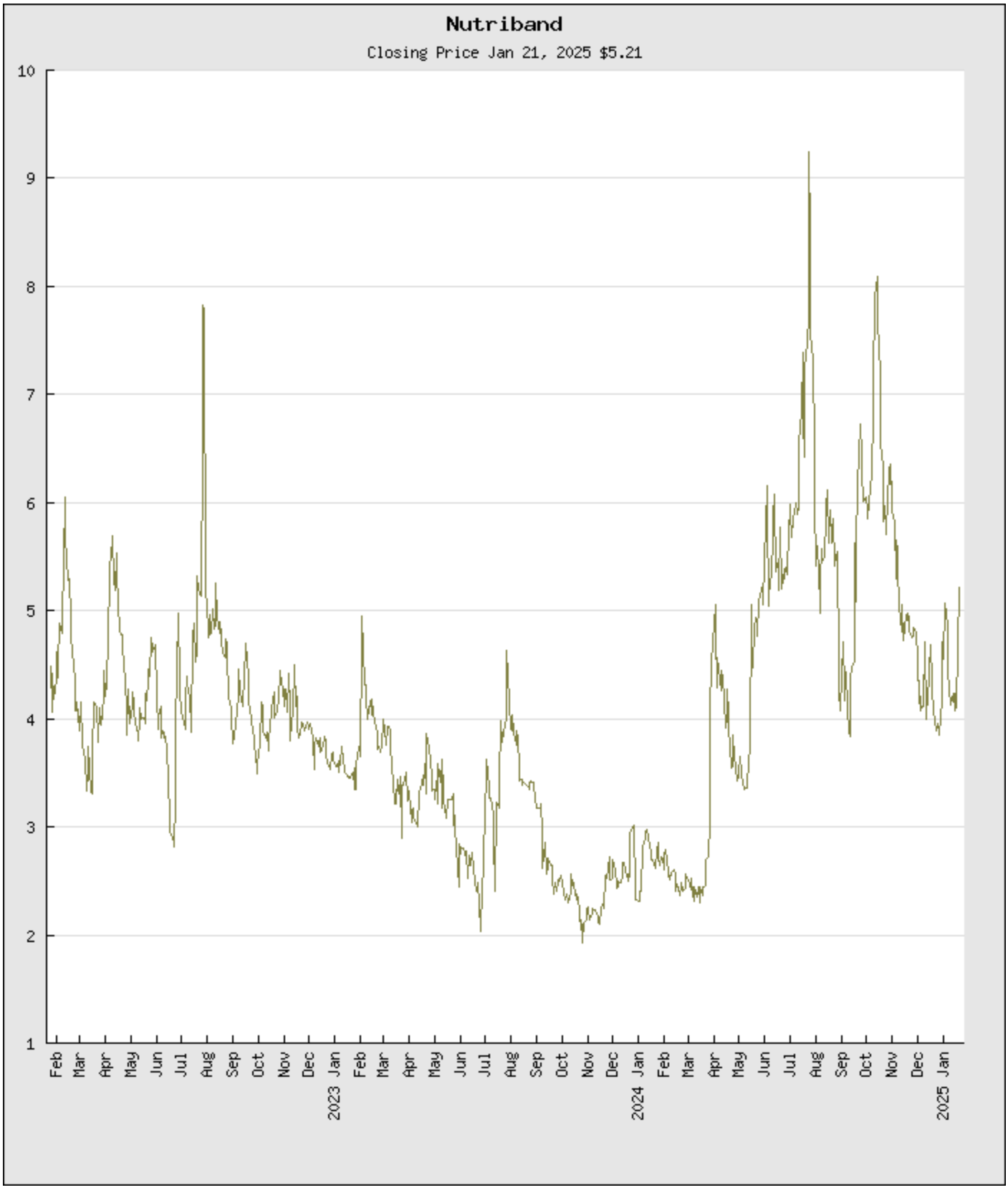
Source: Company SEC filings and Noble Capital Markets estimates

Nutriband Inc: Balance Sheet (in thousands)													
Assets	**2023A**	**2024E**	**1Q25A**	**2Q25A**	**3Q25E**	**4Q25E**	**2025E**	**1Q26E**	**2Q26E**	**3Q26E**	**4Q26E**	**2026E**	**2027E**
Cash and Cash Equivilents	$1,985	$493	$8,348	$6,760	$5,698	$4,422	$4,422	$15,241	$13,300	$10,918	$10,078	$10,078	$30,494
Accounts receivable	113	149	85	68	110	110	110	110	110	110	110	110	110
Inventory	229	169	169	224	168	168	168	168	168	168	168	168	168
Prepaid expenses	366	212	129	196	215	215	215	215	215	215	215	215	215
Total current assets	$2,694	$1,022	$8,730	$7,248	$6,192	$4,915	$4,915	$15,735	$13,794	$11,411	$10,572	$10,572	$30,987
Property and equipment, net	898	775	740	738	740	740	740	740	740	740	740	740	740
Goodwill	5,022	5,022	5,022	5,022	5,022	5,022	5,022	5,022	5,022	5,022	5,022	5,022	5,022
Operating lease right of use asset	63	31	24	16	8	8	8	8	8	8	8	8	8
Intangible assets - net	780	667	639	611	582	582	582	582	582	582	582	582	582
Total assets	$9,456	$7,517	$15,154	$13,634	$12,543	$11,267	$11,267	$22,086	$20,145	$17,763	$16,923	$16,923	$37,339
Liabilities													
Accounts payable and accured liablities	535	680	994	779	892	892	892	892	892	892	892	892	892
Deferred revenue	163	158	269	180	219	219	219	219	219	219	219	219	219
Operating lease liability, current portion	31	34	26	18	9	9	9	9	9	9	9	9	9
Notes payable, current portion	20	127	127	128	128	128	128	128	128	128	128	128	128
Current Liabilities	$749	$999	$1,417	$1,104	$1,248	$1,248	$1,248	$1,248	$1,248	$1,248	$1,248	$1,248	$1,248
Note payable - net of current portion	100	80	75	69	64	64	64	64	64	64	64	64	64
Note payable - related party			300										
Operating lease liability - net of current por	34												
Total Liabilities	$883	$1,079	$1,791	$1,173	$1,312	$1,312	$1,312	$1,312	1,312	1,312	1,312	1,312	1,312
Stockholders' equity													
Common Stock	8	9	11	11	11	11	11	11	11	11	11	11	11
Additional paid-in capital	31,093	34,442	43,263	44,066	44,167	44,273	44,273	56,815	57,019	57,147	57,326	57,326	58,568
Accumulated other comprehensive loss	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Treasury stock	(33)	(33)	(33)	(33)			-					-	-
Accumulated deficit	(22,495)	(27,980)	(29,878)	(31,584)	(32,946)	(34,329)	(34,329)	(36,051)	(38,196)	(40,707)	(41,725)	(41,725)	(22,551)
Total Equity	8,573	6,438	13,363	12,461	11,232	9,955	9,955	20,775	18,833	16,451	15,612	15,612	36,027
Total Liab & Equity	$9,456	$7,517	$15,154	$13,634	$12,543	$11,266	$11,266	$22,086	$20,145	$17,763	$16,923	$16,923	$37,338
Shares Issued (in thousdands)	8,460	7,954	7,833	7,841	7,833	7,841	10,609	9,160	11,062	11,102	11,113	13,144	13,197
Shares Outstanding (in thousands)	8,460	7,954	7,833	7,841	7,833	7,841	10,609	9,160	11,062	11,102	11,113	13,144	13,197

Source: Company reports and Noble Capital Markets estimates

Nutriband Inc: Cash Flow Statement (in thousands)													
Cash flows from operating activities:	**2023A**	**2024A**	**1Q25A**	**2Q25A**	**3Q25A**	**4Q25E**	**2025E**	**1Q26E**	**2Q26E**	**3Q26E**	**4Q26E**	**2026E**	**2027E**
Net income (loss)	(4,483)	(5,485)	(1,898)	(3,604)	(4,966)	(6,349)	(6,349)	(1,722)	(3,867)	(6,378)	(7,397)	(7,397)	19,174
Depreciation of property and equipment	330	288	69	139	212	310	310						
Operating lease expense	39	31	8	16	24	32	32						
Amortization of right of use asset													
Amortization of debt discount													
(Gain) Loss on extinguishment of debt		554		368	368	368	368						
Reserve for doubtful accounts		118											
Treasury stock issued for services	113				133	133	133						
Treasury stock and warrants issued for terminati	174												
Goodwill impairment	327												
Stock-based compensation-warrants		243											
Stock-based compensation-options	732	500	423	553	553	553	553	475	600	650	750	750	925
Common stock issued for services													
Changes in assets and liabilities:													
Accounts receivable	(42)	(154)	64	81	39	39	39						
Prepaid expenses	5	154	85	15	(4)	(4)	(4)						
Inventories	(98)	61	(1)	(55)	0	0	0						
Deferred revenue	57	(5)	112	22	61	61	61						
Operating lease liability	(36)	(31)	(8)	(17)	(25)	(25)	(25)						
Accounts payable and accrued expenses	(105)	199	314	104	217	217	217						
Net Cash Used in Operating Activities	**(2,987)**	**(3,528)**	**(834)**	**(2,378)**	**(3,387)**	**(4,664)**	**(4,664)**	**(1,247)**	**(3,267)**	**(5,728)**	**(6,647)**	**(6,647)**	**20,099**
Cash flows from investing activities:													
Purchase of equipment	(79)	(52)	(6)	(45)	(92)	(92)	(92)						
Net cash provided by investing activities	**(79)**	**(52)**	**(6)**	**(45)**	**(92)**	**(92)**	**(92)**	**0**	**0**	**0**	**0**	**0**	**0**
Cash flows from financing activities:													
Proceeds from line of credit													
Proceeds from note payable - related party		2,000	300	300	300	300	300						
Proceeds from secured borrowing liability		107											
Proceeds from common stock and warrants			8,400	8,400	8,400	8,400	8,400	12,067	12,145	12,224	12,303	12,303	316
Proceeds from sale of common stock in public offering													
Proceeds from exercise of warrants	297												
Payment on note payable	(18)	(20)	(5)	(10)	(15)	(15)	(15)						
Payment on finance leases													
Purchase of treasury stock	(119)												
Net cash provided by financing activities	160	2,087	8,695	8,690	8,685	8,685	8,685	12,067	12,145	12,224	12,303	12,303	316
Effect of exchange rate on cash and cash equivalents													
Net Increase (decrease) in cash and cash equivil	(2,906)	(1,492)	7,855	6,267	5,205	3,929	3,929	10,820	8,878	6,496	5,657	5,657	20,415
Cash and equivalents, beginning of period	4,892	1,985	493	493	493	493	493	4,422	4,422	493	493	493	493
Cash and equivalents, end of period	1,985	493	8,348	6,760	5,698	4,422	4,422	15,241	13,300	6,989	6,150	6,150	20,908

Source: Company SEC filings and Noble Capital Markets estimates


Nutriband
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Attribute	Weighting
Corporate Governance/Management	20%
Market Opportunity Analysis	20%
Competitive Position	20%
Operating Leverage	20%
Financial Leverage	20%

For each attribute, the analysts score the company from a low of zero to a high of ten based upon the analysis described below. The final rating and resulting check marks is a result of dividing the overall score (out of 100%) by ten.

Rating	Score	Checks
Superior	9.1 to 10	Five Checks
Superior	8.1 to 9	Four & A Half Checks
Above Average	7.1 to 8	Four Checks
Above Average	6.1 to 7	Three & A Half Checks
Average	5.1 to 6	Three Checks
Average	4 to 5	Two & A Half Checks
Below Average	3 to 3.9	Two Checks
Below Average	2 to 2.9	One & A Half Checks
Low Quality	0 to 1.9	One Check

While these are the attributes currently used for the analyst's fundamental analysis, the attributes and weighting may be reviewed, updated with additional attributes, and/or changed in the future based on discussions with the analysts and recommendations from the Director of Research.

Following is the description of each attribute in the fundamental analysis.

Corporate Governance/Management

We believe that a review of corporate governance and assessment of the senior management are important tools to determine investment merit. Good corporate governance aligns management with the interests of stakeholders. As such, analysts are to rank the company on the basis of good corporate governance principles that may include rules and procedures, board composition and staggered term limits, rights and responsibilities, corporate objectives, monitoring of actions and policies, and accountability. In addition, analysts will assess issues with controlling shareholders and whether decisions have been made in the past that were in the interests of all shareholders. In addition, management will be assessed based on industry experience, expertise, and/or track record.

High ranking example: Board and management that is aligned with the interests of shareholders with incentives based on stock price appreciation and with an experienced management team known for exceptional shareholder returns.

Low ranking example: Concentrated ownership without independent directors that do not necessarily align with all shareholders' interests.

The Market Opportunity Analysis

In this review, the analyst assesses the company's macro environment as a measure of understanding the industry. Factors considered include the size and growth potential of the industry under various economic conditions, the emerging demands in the market, technological benefits/disruptions, competition, geographical opportunities, and customer demands/needs, and an assessment of supply and distribution channels. In addition, the analyst will review legal and regulatory trends, as well as potential shifts in consumer or social behavior and natural environment changes.

High rank example: A company in an industry that is growing revenues well above GDP rates (which are on average 2% plus) and/or may have unmet or under-served needs in a rapidly growing market opportunity.

Low rank example: A mature industry that is in secular decline and likely to grow below GDP rates.

Competitive Position

The evaluation of the company's competitive position is another macro environment attribute designed to measure the relevance, market share, position and value proposition, and sustainable differentiations of the company and its products/services within its industry. Ease of entry into the industry and the ability of other well-funded players to potentially enter the market would be determined. As such, the assessment would consider the company's strengths and advantages of its products/services against weaknesses and limitations. This may include the company's current brand awareness, pricing and cost structure, current market strategies and geographic penetration that may affect demand for its products/services. In addition, the company's competitors would be evaluated.

High rank example: An analyst would consider the company's product to be superior to its competitors and that should allow the company to gain market share.

Low rank example: A company with a "me-too" product that does not have any significant technology advantages in an industry that has low barriers to entry.

Operating Leverage

Simplistically, operating leverage is determined by the operating income relative to changes in revenue. The analyst will calculate the impact on sensitivity on gross margins and variable costs to determine operating leverage. The analyst will take into account the ability of the company to cut fixed and variable costs in a challenged revenue environment and technological changes that may impact operating expenses. In addition, the analyst is to assess corporate strategies that include capital investment, which may be required for sustainable revenue growth, marketing expenses, and the company's ability to attract and retain talent and/or employees. The analyst should focus on the revenue opportunity and determine the price elasticity of demand for the company's products or services. In other words, the analyst is to rank the company based on improved operating margins going forward on an absolute and relative basis.

High rank example: A company that has improving margins for the foreseeable future, with significant price elasticity.

Low rank example: A company that is in a challenged revenue environment with a fixed cost structure and limited ability to cut costs, indicating an outlook for declining margins.

Financial Leverage

A strict definition of financial leverage is total debt divided by total shareholder's equity. Financial leverage analysis is to determine the company's ability to improve shareholder value by means of utilizing its balance sheet to grow organically or to acquire assets. Analysts may look at the company's debt to cash flow leverage ratio, interest coverage ratios, or debt to equity ratios. In addition, the interest rate environment and the outlook for interest rates are a factor in determining the company's ability to manage financial leverage. Finally, the analyst is expected to determine the ability to service the debt given the industry and/or company profile, such as cyclicality, barriers to entry, history of bankruptcy, consistency in revenue and profit growth, or predictability in sales and profits and large cash reserves. The analyst is expected to take into account capital intensity of the company and the anticipated of capital allocation decisions.

High rank example: A company with predictable and growing revenue and cash flow with modest debt levels. This may indicate that the company could improve shareholder value through growth investments, including acquisitions, using debt financing.

Low rank example: A company in a cyclical industry in a late stage economic cycle that has above average debt leverage and is in an industry that has a history of financial challenges, including bankruptcies.

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Senior Equity Research Analyst focusing on the Biotechnology and Specialty Pharmaceuticals industry. 16 years of industry experience. BA in Economics from Tulane University and an MBA from Columbia Business School. FINRA licenses 7, 24, 63, 86, 87

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Outperform: potential return is >15% above the current price	87%	19%
Market Perform: potential return is -15% to 15% of the current price	13%	4%
Underperform: potential return is >15% below the current price	0%	0%

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