

## Biotechnology

KAPA – NYSE American June 3, 2025

Intraday Price 6/3/25 \$0.50

Rating: Buy

12-Month Target Price: \$4.00

52-Week Range: \$0.52 - \$4.00

Market Cap (M): \$8.4

Shares O/S (M): 16.8

Float: 42.3%

Avg. Daily Volume (000): 167.4

Debt (M): \$0.1

Dividend: \$0.00

Dividend Yield: 0.0%

Risk Profile: Speculative

Fiscal Year End: December

### Total Expenses ('000)

	2025E	2026E	2027E
1Q	1,226A	1,591	2,374
2Q	665	1,660	2,477
3Q	720	1,799	2,684
4Q	748	1,868	2,787
CY	2,770	6,918	10,323
Prior	2,452	6,868	11,498



## Kairos Pharma, Ltd.

Buy

### Positive Preclinical Data for KROS101 at Ongoing ASCO Meeting; P2 Interim Data in Prostate Cancer Next

#### Summary

- This morning (6/3), Kairos announced positive preclinical data for KROS101, a novel G1TR agonist, in melanoma and glioblastoma at the ongoing ASCO (American Society of Clinical Oncology) meeting (5/30-6/3).
- KROS101 demonstrated enhanced T cell infiltration, proliferation, and cytotoxicity while reducing Treg-mediated suppression and preventing T cell exhaustion. These results point to a differentiated mechanism, and we look forward to updates with a P1 to start mid-2026.
- The next key event for Kairos remains the interim data from the ongoing P2 trial for ENV-105 in metastatic castration-resistant prostate cancer (mCRPC), which is expected by quarter-end. If positive, this would be a significant catalyst for KAPA shares, in our view.

#### Details

**KROS101** is a small molecule glucocorticoid-induced tumor necrosis factor receptor (G1TR) ligand agonist designed to deplete suppressive regulatory T cells (Tregs) and activate effector T cells, enhancing the antitumor immune response in solid cancers. By stabilizing the G1TR ligand, KROS 101 signals the G1TR receptor to promote effector T-cell functions and inhibit Treg suppression, making it a promising complement to current checkpoint inhibitors. Unlike antibody-based G1TR therapies, KROS101 fits into the G1TR ligand to amplify T-cell proliferation through a more effective, dose-dependent mechanism.

**Preclinical data presented at ASCO.** As announced this morning (6/3), KAPA reported positive preclinical data in a poster presentation ([LINK](#)) for KROS101 in melanoma and glioblastoma at the ongoing ASCO meeting. The results demonstrate a differentiated dual mechanism by enhancing h CD4+/ CD8+ T cell function and reducing Treg-mediated immunosuppression. In humanized G1TR/G1TRL models, KROS101 improved cytokine production, tumor infiltration, and cytotoxicity, leading to melanoma tumor growth suppression. The compound also outperformed the former clinical stage anti-G1TR antibody TRX518 across key immune markers, including T cell infiltration, Treg depletion, and prevention of T cell exhaustion. A P1 trial is expected to start in mid-2026.

For additional information, see our initiation report from 3/27/25 – [LINK](#)

**Model update.** On 5/14/25, Kairos reported 1Q25 results with a net loss of (\$1.3M) and ended the period with \$3.6M in cash on the balance sheet, which should provide runway into 2026.

**Valuation.** We model commercialization of ENV-105 in mCRPC in 2030 and EFGR-mutated NSCLC in 2031 in the US. An 80% revenue risk adjustment is factored in based on stage of development and clinical trial risk. A 30% discount rate is then applied to our free cash flow, discounted EPS, and sum-of-the-parts models, which are equally weighted to derive a 12-month price target of \$4.00.

**Company description:** Kairos Pharma is a clinical-stage biopharmaceutical company focused on overcoming drug resistance and immune suppression in cancer patients. Its lead candidate, ENV-105, targets CD105 to reverse resistance and enhance the efficacy of standard therapies across multiple cancer types.

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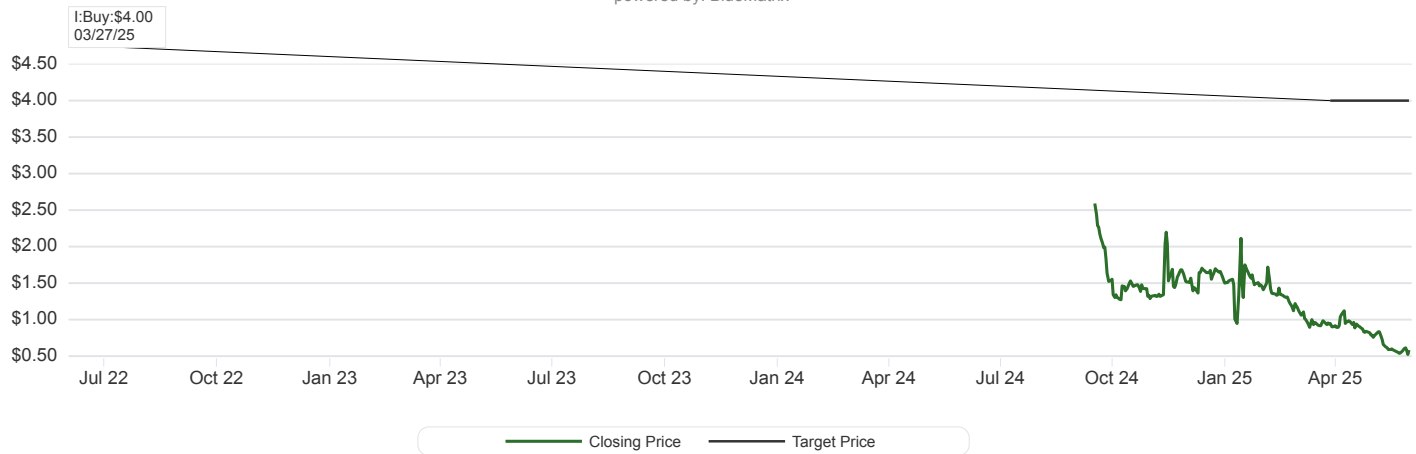
Kairos Pharma, Ltd. (KAPA) Income Statement (\$000)																							
YE December 31	1Q25A	2Q25E	3Q25E	4Q25E	2025E	1Q26E	2Q26E	3Q26E	4Q26E	2026E	1Q27E	2Q27E	3Q27E	4Q27E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Revenue:																							
ENV-105, 2L mCRPC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55,578	144,558	240,638	312,949	390,711	508,120
ENV-105 + osimertinib, 2L EGFR mutated NSCLC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	45,812	95,325	119,012	154,775	193,233
Net revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55,578	190,370	335,963	431,961	545,486	701,353
Collaborative revenue:																							
Revenues																							
Other Income																							
Total Collaborative Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55,578	190,370	335,963	431,961	545,486	701,353
Gross Margins:																							
Cost of Goods Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,231	76,148	134,385	172,784	218,194	280,541
%Gross Margin	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	70%	70%	70%	70%	70%	70%
Gross Profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,347	114,222	201,578	259,177	327,291	420,812
Operating Expenses:																							
Research and Development	493	109	118	123	455	367	383	414	430	1,594	660	689	746	775	2,869	3,730	4,103	4,513	4,739	4,976	5,224	5,486	5,760
%R&D																							
Selling, General and Administrative	733	556	602	625	2,315	1,225	1,278	1,384	1,437	5,324	1,714	1,789	1,938	2,012	7,454	9,317	11,180	13,417	14,087	14,792	15,531	16,308	17,123
%SG&A																							
Total Expenses	1,226	665	720	748	2,770	1,591	1,660	1,799	1,868	6,918	2,374	2,477	2,684	2,787	10,323	13,047	15,283	40,161	94,974	154,153	193,540	239,988	303,424
Operating Income (Loss)	(1,226)	(665)	(720)	(748)	(2,770)	(1,591)	(1,660)	(1,799)	(1,868)	(6,918)	(2,374)	(2,477)	(2,684)	(2,787)	(10,323)	(13,047)	(15,283)	15,417	95,396	181,811	238,421	305,498	397,929
Interest expense	4	-	-	-	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt discount amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on settlement of accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Income	4	-	-	-	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pretax Income	(1,222)	(665)	(720)	(748)	(2,766)	(1,591)	(1,660)	(1,799)	(1,868)	(6,918)	(2,374)	(2,477)	(2,684)	(2,787)	(10,323)	(13,047)	(15,283)	15,417	95,396	181,811	238,421	305,498	397,929
Taxes on income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,636	11,921	24,440
Tax Rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2%	5%	8%
GAAP Net Income (Loss)	(1,222)	(665)	(720)	(748)	(2,766)	(1,591)	(1,660)	(1,799)	(1,868)	(6,918)	(2,374)	(2,477)	(2,684)	(2,787)	(10,323)	(13,047)	(15,283)	15,417	95,396	178,174	226,500	281,058	358,136
Foreign currency translation loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss	(1,222)	(665)	(720)	(748)	(2,766)	(1,591)	(1,660)	(1,799)	(1,868)	(6,918)	(2,374)	(2,477)	(2,684)	(2,787)	(10,323)	(13,047)	(15,283)	15,417	95,396	178,174	226,500	281,058	358,136
GAAP-EPS	(0.08)	(0.04)	(0.04)	(0.04)	(0.16)	(0.09)	(0.08)	(0.09)	(0.09)	(0.36)	(0.12)	(0.11)	(0.12)	(0.12)	(0.47)	(0.52)	(0.51)	0.46	2.61	4.86	6.15	7.60	9.65
GAAP-EPS (Dil)	(0.08)	(0.04)	(0.04)	(0.04)	(0.16)	(0.09)	(0.08)	(0.09)	(0.09)	(0.36)	(0.12)	(0.11)	(0.12)	(0.12)	(0.47)	(0.52)	(0.51)	0.46	2.61	4.86	6.15	7.60	9.65
Wgtd Avg Shrs (Bas) - '000s	15,875	17,391	17,409	17,426	17,025	17,444	19,961	19,981	20,001	19,347	20,021	22,541	22,564	22,586	21,928	25,144	30,252	33,755	36,520	36,666	36,813	36,961	37,109
Wgtd Avg Shrs (Dil) - '000s	15,875	17,391	17,409	17,426	17,025	17,444	19,961	19,981	20,001	19,347	20,021	22,541	22,564	22,586	21,928	25,144	30,252	33,755	36,520	36,666	36,813	36,961	37,109

Source: Company reports and Maxim

## DISCLOSURES

### Kairos Pharma, Ltd. Rating History as of 05/30/2025

powered by: BlueMatrix



### Maxim Group LLC Ratings Distribution

As of: 06/02/25

		% of Coverage Universe with Rating	% of Rating for which Firm Provided Banking Services in the Last 12 months
<b>Buy</b>	Fundamental metrics and/or identifiable catalysts exist such that we expect the stock to outperform its relevant index over the next 12 months.	83%	50%
<b>Hold</b>	Fundamental metrics are currently at, or approaching, industry averages. Therefore, we expect this stock to neither outperform nor underperform its relevant index over the next 12 months.	17%	54%
<b>Sell</b>	Fundamental metrics and/or identifiable catalysts exist such that we expect the stock to underperform its relevant index over the next 12 months.	0%	0%

*\*See valuation section for company specific relevant indices*

I, **Jason McCarthy, Ph.D.**, attest that the views expressed in this research report accurately reflect my personal views about the subject security and issuer. Furthermore, no part of my compensation was, is, or will be directly or indirectly related to the specific recommendation or views expressed in this research report.

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The research analyst(s) primarily responsible for the preparation of this research report have received compensation based upon various factors, including the firm's total revenues, a portion of which is generated by investment banking activities.

**Maxim Group makes a market in Kairos Pharma, Ltd.**

**Maxim Group received compensation for investment banking services from Kairos Pharma, Ltd. in the past 12 months.**

**Maxim Group expects to receive or intends to seek compensation for investment banking services from Kairos Pharma, Ltd. in the next 3 months.**

**KAPA:** For Kairos Pharma, Ltd., we use the BTK (Biotechnology Index) as the relevant index.

### Valuation Methods

**KAPA:** We model commercialization of ENV-105 in metastatic castration-resistant prostate cancer (mCRPC) and EGFR-mutated non-small cell lung cancer (NSCLC). We apply a revenue risk adjustment based primarily on the stage of development and clinical trial

risk. A discount rate is then applied to the free cash flow, discounted EPS, and sum-of-the-parts models, which are equally weighted to derive a 12-month price target.

**Price Target and Investment Risks**

**KAPA:** Aside from general market and other economic risks, risks particular to our price target and rating for Kairos Pharma, Ltd. include: (1) the regulatory and clinical risk associated with product development; (2) the rate and degree of progress of product development; (3) the rate of regulatory approval and timelines to potential commercialization of products; (4) the level of success achieved in clinical trials; (5) the requirements for marketing authorization from regulatory bodies in the United States and other countries; (6) the liquidity and market volatility of the company's equity securities; (7) regulatory and manufacturing requirements and uncertainties; (8) product and technology developments by competitors, potentially with more resources and commercial infrastructure; (9) inability, of product(s), if approved, to gain adequate market share and maintain adequate revenue growth; (10) the ability of the company to maintain its exchange listing; (11) the ability to access capital to fund operations, if the company cannot secure sufficient capital, the company could cease operations; (12) Kairos is a controlled company, with insiders controlling over 50% of the voting rights; (13) recent changes to NYSE Section 802.01C limit listed issuers' ability to use multiple reverse stock splits to remedy listing requirements, thereby putting the stock at a higher risk of being delisted in the future.

**RISK RATINGS**

Risk ratings take into account both fundamental criteria and price volatility.

**Speculative** – Fundamental Criteria: This is a risk rating assigned to early-stage companies with minimal to no revenues, lack of earnings, balance sheet concerns, and/or a short operating history. Accordingly, fundamental risk is expected to be significantly above the industry. Price Volatility: Because of the inherent fundamental criteria of the companies falling within this risk category, the price volatility is expected to be significant with the possibility that the investment could eventually be worthless. Speculative stocks may not be suitable for a significant class of individual investors.

**High** – Fundamental Criteria: This is a risk rating assigned to companies having below-average revenue and earnings visibility, negative cash flow, and low market cap or public float. Accordingly, fundamental risk is expected to be above the industry. Price Volatility: The price volatility of companies falling within this category is expected to be above the industry. High-risk stocks may not be suitable for a significant class of individual investors.

**Medium** – Fundamental Criteria: This is a risk rating assigned to companies that may have average revenue and earnings visibility, positive cash flow, and is fairly liquid. Accordingly, both price volatility and fundamental risk are expected to approximate the industry average.

**Low** – Fundamental Criteria: This is a risk rating assigned to companies that may have above-average revenue and earnings visibility, positive cash flow, and is fairly liquid. Accordingly, both price volatility and fundamental risk are expected to be below the industry.

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**ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST**

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