Equity Research
Company Update

Biotechnology

KAPA – NYSE American	July 15, 2025
Intraday Price 7/15/25	**$1.43**
Rating:	Buy
12-Month Target Price:	$4.00
52-Week Range:	$0.40 - $4.00
Market Cap (M):	$24.1
Shares O/S (M):	16.8
Float:	42.3%
Avg. Daily Volume (000):	874.3
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

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Kairos Pharma, Ltd.

Buy

Positive Safety Data from P2 Prostate Cancer Trial for ENV105 Sends Shares Up Sharply; Interim Efficacy Data due in September

Summary

- This morning, Kairos reported positive interim safety data from the first 10 patients enrolled in its ongoing P2 trial of ENV-105 + Erleada in mCRPC. No DLTs, unexpected AEs, or Grade 3/4 toxicities were observed. Shares are up ~100% on the news.
- The P2 trial (N=100) is evaluating ENV-105 + Erleada vs. Erleada alone in mCRPC patients who have progressed on prior anti-androgen therapy. The primary endpoint is progression-free survival (PFS).
- Interim efficacy data from the P2 is expected in September and, if it demonstrates a re-sensitization to anti-androgen therapy (Erleada), which can help keep patients from progressing for longer, this would represent definitive proof of concept. Reiterate Buy.

Details

Ongoing P2 in mCRPC — interim safety data positive; efficacy data due in Sept.

- This morning (7/15), Kairos announced positive interim safety data for the first 10 patients enrolled in its ongoing P2 trial in mCRPC for ENV-105 + Erleada.
- Favorable safety profile to date with no dose-limiting toxicities (DLTs) or unexpected adverse effects (AEs); side effects are manageable and no Grade 3/4 toxicities observed.
- Ongoing P2 study (N=100) ENV-105 + Erleada (SOC) vs. Erleada alone in mCRPC patients who have failed anti-androgen therapy.
- Prior P2 trial of ENV-105 + Xtandi (n=9) in resistant patients was positive, showing a 62% clinical benefit rate (CBR) vs. 0% expected.
- The primary endpoint is progression-free survival (PFS).
- We view a 4-month PFS as a benchmark for success, doubling the current PFS in this setting.
- Interim efficacy data from the P2 is expected in September; this would represent definitive proof of concept.

ENV-105 — targeting cancer drug resistance

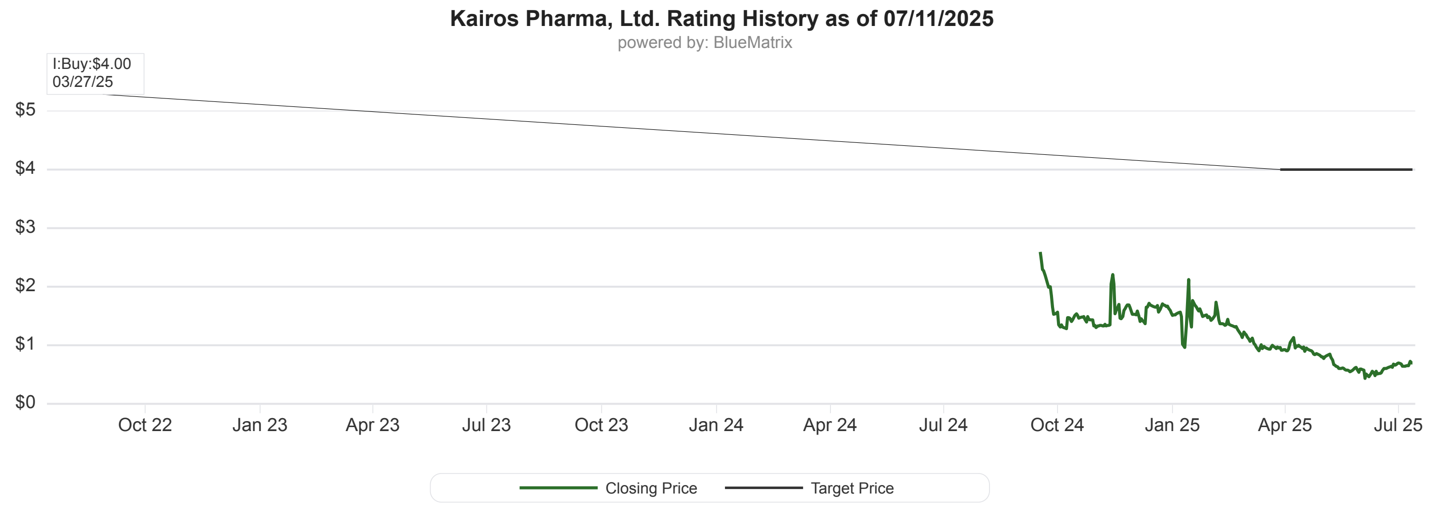
- ENV-105 is a novel neutralizing antibody targeting CD105 (Endolgin) designed to reverse cancer drug resistance.
- CD105 (Endolgin), a transmembrane protein, expressed on endothelial cells, plays a critical role in tumor angiogenesis.
- Target identified by Kairos as key driver of cancer resistance, upregulated in response to anti-androgen drugs (mCRPC) and anti-EGFR drugs (EGFR-mutant NSCLC).
- Blocking CD105 has potential to re-sensitize tumors to SOC therapies, making resistant tumors responsive again.

For additional information, see our initiation report from 3/27/25 – **LINK**

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.*

DISCLOSURES



Maxim Group LLC Ratings Distribution			As of: 07/14/25
		% of Coverage Universe with Rating	% of Rating for which Firm Provided Banking Services in the Last 12 months
Buy	Fundamental metrics and/or identifiable catalysts exist such that we expect the stock to outperform its relevant index over the next 12 months.	**84%**	**48%**
Hold	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.	**16%**	**57%**
Sell	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.

I, **Michael Okunewitch**, 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.

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.

DISCLAIMERS

ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST

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