



ENDRA Life Sciences Inc.

Q2 about inline. FDA submission done. We believe FDA approval and EU/US product launch this year to drive stock. Lowering P/T to \$17.

COMPANY UPDATE

Rating: **BUY**

Ticker: NDRA

Price: \$1.10

Target: \$17
(from \$20)

Q2 about inline: ENDRA recently (on August 14) reported its Q2 2023 (ending June) results. Net loss was \$2.6 million or EPS of \$(0.43) compared with our and consensus estimates of \$(0.55). There was no Q2 guidance. ENDRA is a late stage medical device development/early stage commercialization company so it generates no revenues.

Operating expense: Operating expenses were \$3.0 million, vs \$2.9 million in Q1.

No 2023 guidance: Management did not provide 2023 financial guidance.

Adjusting 2023 estimates: We are maintaining our 2023 revenues estimates of \$0.1 million, but adjusting it for EPS to \$(1.97) from \$(2.09).

Focused on TAEUS development: ENDRA has one main medical device candidate, the Thermo Acoustic Enhanced UltraSound (TAEUS) platform to enable clinicians to visualize human tissue composition, function and temperature in ways previously possible only with CT and MRI, but at a fraction of the cost and at the point-of-care.

FDA submission done: On August 14, 2023, ENDRA filed its De Novo application with the FDA. After extensive dialogue with the FDA, ENDRA is now (as of February 2022) pursuing the De Novo pathway for its TAEUS System (and withdrawing its 510(k) application), which is intended to characterize fatty liver tissue as a non-invasive means to assess and monitor Non-Alcoholic Fatty Liver Disease (NAFLD). The FDA's target approval date is 150 days (~5 months or about January 15, 2024). We note that key commercialization activities have already started, including a major distribution deal in Vietnam.

EU launched: In March 2020, ENDRA received CE Mark approval, and is now starting initial commercialization activity in Europe.

Over 200 scans done: ENDRA has 4 U.S. reference evaluation sites, 5 in the EU, and a site in China used to build clinical evidence and establish the clinical utility of the TAEUS device for assessing NAFLD-NASH. ENDRA has over 200 total patients scanned to date.

Large market opportunity: The company is launching its first TAEUS application to measure fat in the liver, which is used for early detection and monitoring of Steatotic Liver Disease (SLD) (aka Non-Alcoholic Fatty Liver Disease (NAFLD)). In 2011, over 1.4 billion people were affected by SLD/NAFLD/NASH around the world. Despite the increased incidence of SLD/NAFLD, there are no low-cost, accurate, and safe methods for measuring fat in the liver. TAEUS technology should enable to diagnose SLD earlier and monitor patients with related liver diseases more accurately and cost-effectively than is possible with existing technology.

Balance sheet: In Q2, ENDRA has \$5 million in cash and no debt. In Q2, the company raised ~\$4.5 million selling stock (4.3 million shares at \$1.20/share). We believe it has enough cash into 2024.

Positive high risks versus rewards: Though we acknowledge that ENDRA's devices are at/near approvals and launch, there is still a long road to successful commercialization. However, we believe the ~billion dollars market potentials presents a high reward for the high risks.

Current valuation attractive: Maintaining our BUY rating, but lowering our 12-month price target to \$17 from \$20. This is based on a NPV analysis, representing significant upside from the current share price. We believe this valuation appropriately balances out the company's high risks with the company's high growth prospects and large upside opportunities.

Company Description

Based in Ann Arbor, MI, ENDRA Life Sciences is a medical device company developing enhanced ultrasound technologies (TAEUS) for medical imaging.

United States
Healthcare

August 25, 2023

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Stock Data

Exchange:	NasdaqCM
52-week Range:	\$1.02 – 7.40
Shares Outstanding (million):	7.6
Market cap (\$million):	\$8
EV (\$million):	\$3
Debt (\$million):	\$0
Cash (\$million):	\$5
Avg. Daily Trading Vol. (\$million):	\$0.2
Float (million shares):	7
Short Interest (million shares):	0.1
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2023E</u> <u>(Cur.)</u>	<u>2023E</u> <u>(Old)</u>	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>
Q1 Mar	0.0A		0.2E	
Q2 Jun	0.0A	0.0E	0.3E	
Q3 Sep	0.0E		0.4E	
Q4 Dec	<u>0.1E</u>		<u>0.6E</u>	
Total	0.1E		1.5E	
EV/Revs	30x		2x	

Earnings per Share (pro forma)

	<u>2023E</u> <u>(Cur.)</u>	<u>2023E</u> <u>(Old)</u>	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>
Q1 Mar	(0.93)A		(0.40)E	
Q2 Jun	(0.43)A	(0.55)E	(0.39)E	
Q3 Sep	(0.43)E		(0.38)E	
Q4 Dec	<u>(0.42)E</u>		<u>(0.36)E</u>	
Total	(1.97)E	(2.09)E	(1.52)E	
P/E	N/A		N/A	

*Reflects a 1:20 reverse stock split in December 2022.

Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 12.

Exhibit 1: Q2 2023 and Recent Highlights (as of August 14, 2023)

- **Submitted a De Novo Request to the U.S. Food and Drug Administration (FDA) for the TAEUS liver system**. The TAEUS system is ENDRA's proprietary device that is intended to offer clinicians a tool for the non-invasive assessment of fatty liver tissue, as an aid in the management of patients with Non-Alcoholic Fatty Liver Disease (NAFLD). The submission included patient scans from established clinical study sites comparing TAEUS liver fat fraction estimates to MRI-PDFF (Magnetic Resonance Imaging Proton Density Fat Fraction), which is the gold standard for clinical measurement of liver fat fraction. The study data yielded a sensitivity of 90%. TAEUS estimates of liver fat fraction were strongly correlated to MRI-PDFF scores with a Pearson correlation coefficient of $r=0.78$.
- **Showcased the TAEUS liver system's capabilities at two European clinical conferences**. ENDRA participated in the German Diabetes Association's 57th DDG Annual Meeting in Berlin, which underscored the role of liver health in managing type 2 diabetes. Additionally, the company shared study findings in a peer-reviewed clinical abstract titled "*Thermoacoustic assessment of fatty liver disease - an early clinical feasibility study*" at the esteemed European Association for the Study of the Liver (EASL) Congress in Vienna. This presentation served to elevate TAEUS' profile among potential clinical users to support commercial adoption.
- **Continued the expansion of its intellectual property portfolio to 64 issued patents globally**. During the second quarter, ENDRA secured four additional patents, including one in the U.S. and three in China. These newly issued patents not only reinforce ENDRA's unique position in assessing liver fat, but also open the doors for other potential applications. The company is actively exploring licensing opportunities in non-core indications to augment the value of its growing IP portfolio.
- **Raised approximately \$4.7 million and extended the cash runway**. In May, the company raised approximately \$4.7 million in net proceeds from the sale of common stock and warrants in a public offering. Management believes ENDRA has sufficient cash to fund operations through several important milestones expected in 2023, including supporting commercial activities in Europe.

Source: Company reports.

Exhibit 2: ENDRA Investment Highlights

ENDRA Life Sciences

ENHANCE ULTRASOUND TO SEE HUMAN TISSUE IN WAYS SIMILAR TO CT-MRI... BUT AT 50X LOWER COST²

ENDRA Life Sciences: Business Highlights



PROPRIETARY PLATFORM

- Thermo Acoustic Enhanced Ultrasound (TAEUS[®]): RF pulses → sonic waves
- Similar to MRI but 1/50th the cost³ and at point of patient care
- Multiple potential clinical applications & revenue streams
- CE mark received in Europe
- FDA De Novo request filed in U.S.
- 67 patents issued, all by ENDRA



MULTIBILLION \$ MARKET

- 1st TAEUS application: Measure liver fat for assessment of Steatotic Liver Disease (SLD)
- Affects over 2 billion people¹ globally
- Diagnostic gap: No safe, easy-to-use, cost-effective tools
- \$12.5 billion diagnostic market opportunity²



CAPITAL-EFFICIENT MODEL

- Lean and deeply experienced ENDRA team
- World-class technical, clinical & commercial partners

Source: Company reports.

Exhibit 3: TAEUS Upcoming Milestones

Anticipated Milestones

2023

- ✓ Collect clinical evidence to support development, regulatory & commercial needs; 200+ TAEUS subject scans collected
- ✓ First peer-reviewed publication: EASL¹ clinical abstract June 2023
- ✓ Filed FDA De Novo request for TAEUS Fatty Liver application August 2023
- ✓ Expand intellectual property portfolio
- Continue to bolster clinical data of TAEUS system with additional scans, activation of new clinical partner sites, and peer-reviewed abstracts/publications
- Achieve sales in Europe
- Forge alliances with med-techs for TAEUS application development and licensing

Source: Company reports.

Exhibit 4: ENDRA Partners

ENDRA Value-Added Partner Ecosystem

LEVERAGE PARTNERSHIPS TO AMPLIFY ENDRA'S TECHNICAL, CLINICAL & COMMERCIAL ACTIVITIES

TECHNOLOGY LEADERSHIP

- Enhance peer-leading IP portfolio
- Real-time guidance tools
- Novel cloud-based data mgt.
- Artificial Intelligence tools
- Collaborations to co-develop & integrate TAEUS applications



ROBUST CLINICAL EVIDENCE

- Clinical data supporting regulatory submissions & commercialization
- Studies comparing TAEUS to MRI-PDF in target markets: U.S., EU, Asia
- Pharma pilots of TAEUS for drug trial recruitment efficiencies



COMMERCIAL ADOPTION

- Target clinicians at local level in key markets w/ENDRA team & partners
- Demonstrate TAEUS at key global clinical conferences
- Online education & marketing
- CRM w/5000 clinicians
- Leverage clinical publications & reference sites

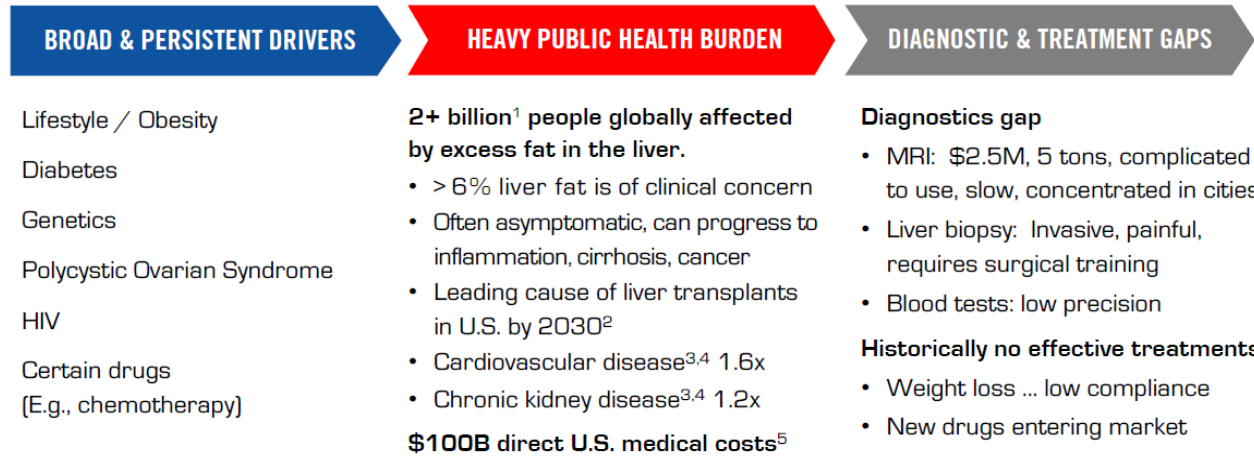


Source: Company reports.

Exhibit 5: ENDRA's TAEUS Liver Fat Opportunity (Steatotic Liver Disease (SLD) aka NASH - NAFLD)

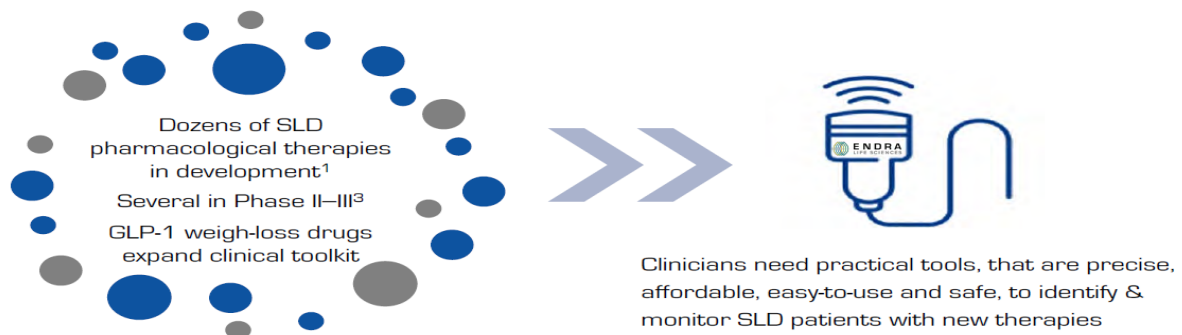
The Problem: Steatotic Liver Disease (SLD)

CONVERGENCE OF PIVOTAL FACTORS CREATE OPPORTUNITY FOR ENDRA TO ADDRESS LARGE UNMET DIAGNOSTIC NEED



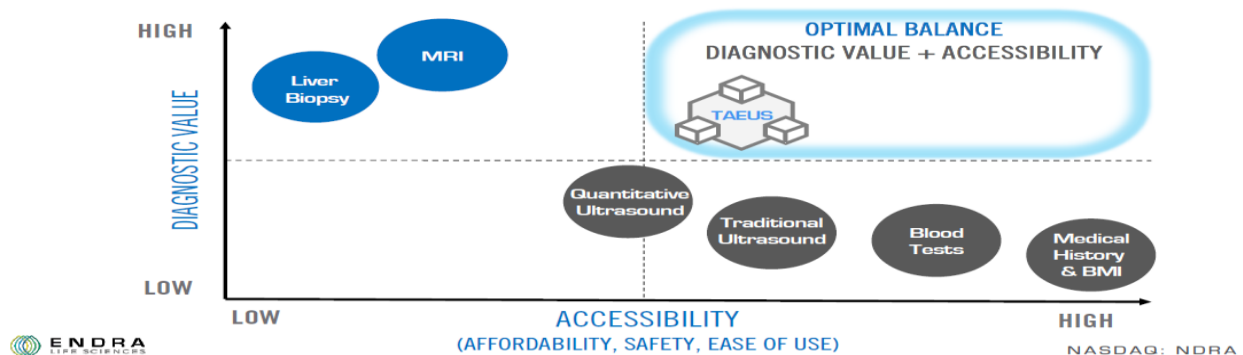
The Opportunity: Improved Diagnostics To Drive Adoption of New Treatments

FIRST APPROVED STEATOTIC LIVER DISEASE (SLD) THERAPIES EXPECTED IN 2023^{1,2} INTENSIFYING NEED TO IDENTIFY & MONITOR PATIENTS



The Opportunity: Assess Liver Fat of 2+ Billion SLD Patients

INTRODUCE A TOOL THAT BALANCES DIAGNOSTIC VALUE + ACCESSIBILITY



Source: Company reports.

Exhibit 6: TAEUS

Thermo Acoustic Enhanced Ultrasound: TAEUS®

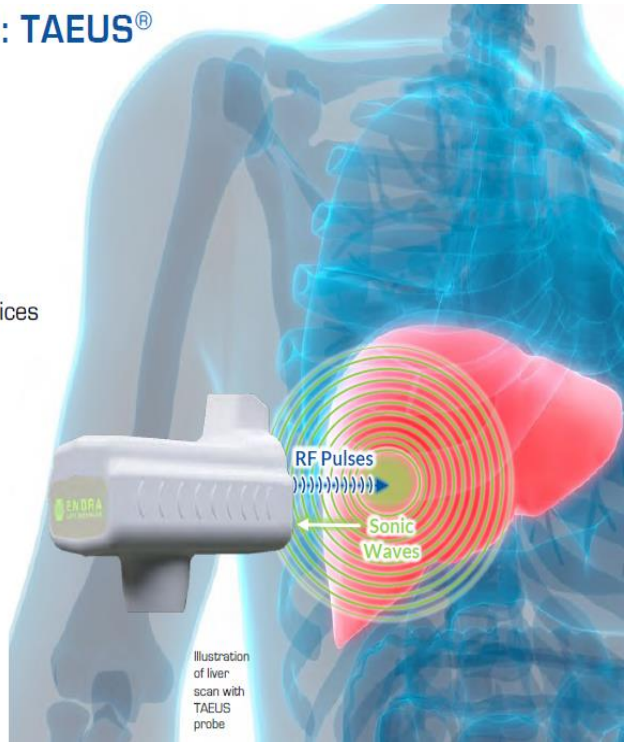
FIRST APPLICATION: NON-INVASIVE LIVER FAT ASSESSMENT TOOL

TAEUS SYSTEM

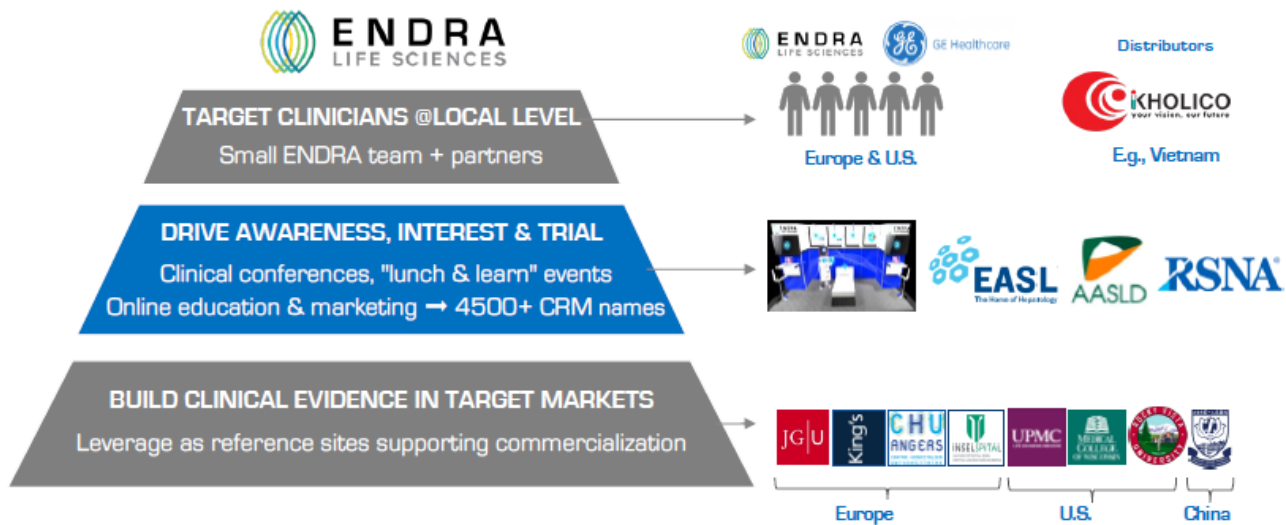
- System consists of a console, probe and display
- Analyzes tissue chemistry, like MRI, rather than structural properties of tissue like traditional ultrasound
- Self-calibrating, for uniform measures across individuals & devices
- Low sensitivity to fibrosis,¹ a confounding factor in MASLD
- Total procedure ~10 minutes

CLINICAL VALIDATION & REGULATORY STATUS

- Over 200 TAEUS subject scans performed
- CE Mark received in Europe
- Peer-reviewed clinical abstract published @ 2023 EASL²
- FDA De Novo request submitted
 - Sensitivity of 90% at 6% liver fat threshold
 - TAEUS correlation to MRI-PDFF: r=0.78



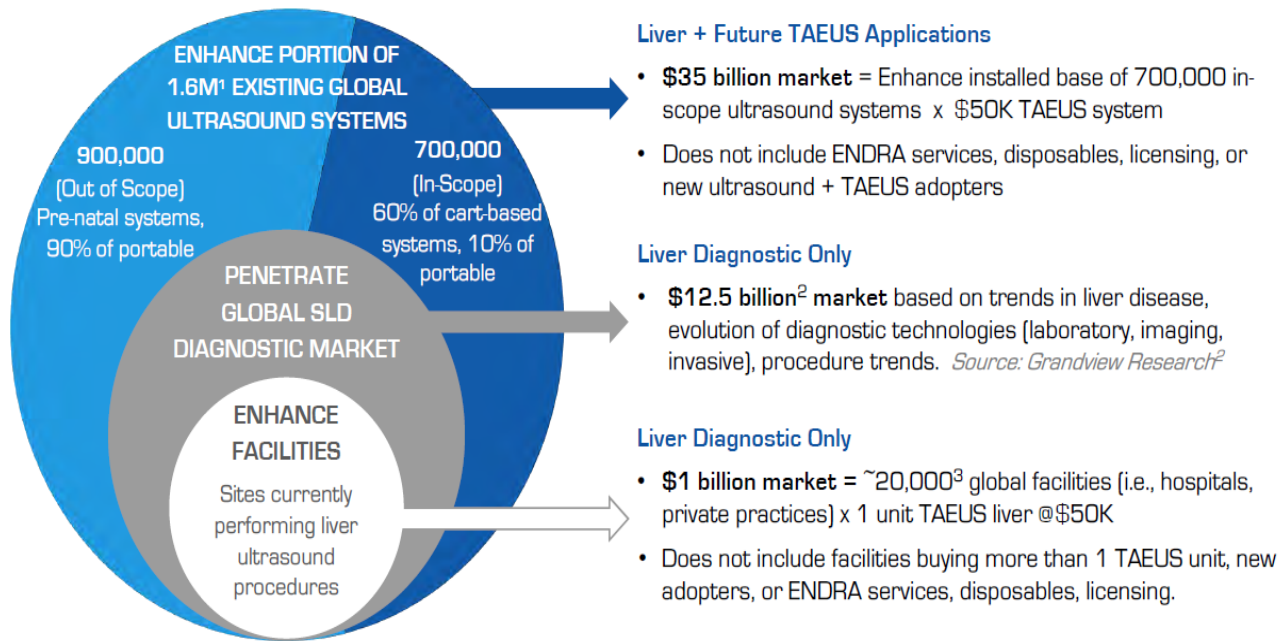
Commercializing TAEUS Liver: 3 Core Elements



Source: Company reports.

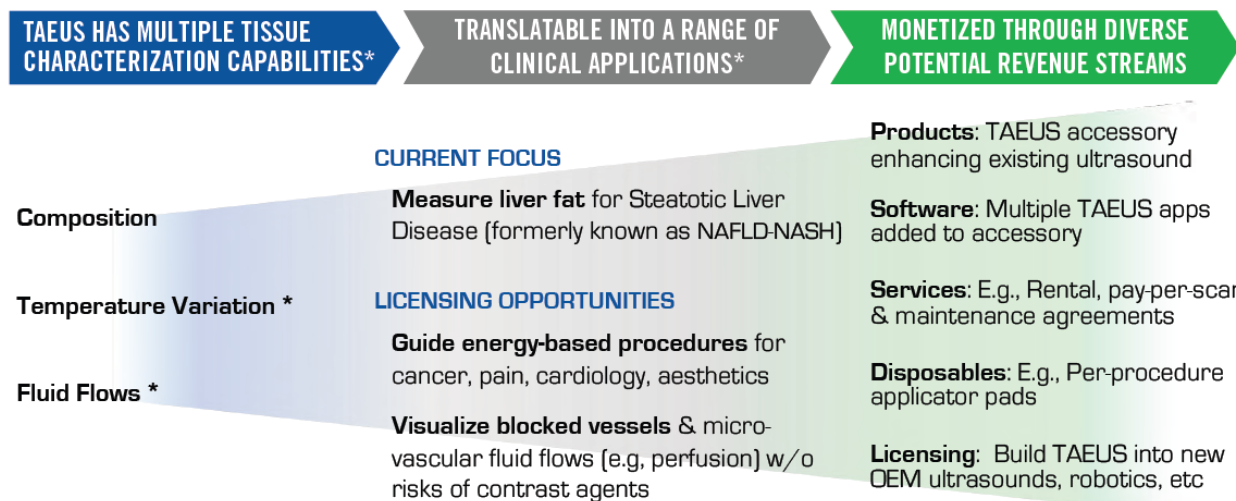
Exhibit 7: TAEUS Potential Market Opportunities

Total Addressable Markets for TAEUS®: Liver & Other Applications



ENDRA's TAEUS® Platform & Business Model

FIRST TAEUS APPLICATION ASSESSES LIVER FAT, WITH LICENSING OPPORTUNITIES IN OTHER INDICATIONS



Source: Company reports.

Exhibit 8: ENDRA Life Sciences Stock Price (5-years)



*Reflects a 1:20 reverse stock split in December 2022

Source: <https://bigcharts.marketwatch.com/>

Exhibit 9: Consensus Expectations (as of August 14, 2023)

	Revenue (mil)			EPS	
	2023E	2024E		2023E	2024E
Q1 Mar	\$0.0A		Q1 Mar	\$(0.93)A	
Q2 Jun	\$0.0E		Q2 Jun	\$(0.55)E	
Q3 Sep	\$0.0E		Q3 Sep	\$(0.43)E	
Q4 Dec			Q4 Dec		
Total	\$0.1E	\$1.5E	Total	\$(2.09)E	\$(1.52)E

*Quarterly estimates may not add to annual estimates due to variations in contributing estimates and rounding.

*Reflects a 1:20 reverse stock split in December 2022

Source: Company report, Refinitiv, and Ascendant Capital Markets estimates

FINANCIAL MODEL

ENDRA Life Sciences Inc.

Income Statement (\$ mils)	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.3	0.4	0.6	1.5
<u>Cost of Revenues</u>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.2	0.2	0.3	0.8
Gross Profit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.2	0.2	0.3	0.8
Research and development	1.1	1.7	1.2	1.4	5.5	1.2	1.8	1.8	1.7	6.6	1.4	1.4	1.5	1.5	5.8	1.3	1.3	1.3	1.3	5.2
Sales and marketing	0.2	0.3	0.3	0.4	1.1	0.3	0.3	0.4	0.3	1.4	0.2	0.2	0.4	0.4	1.2	0.5	0.5	0.5	0.5	2.0
General and administrative	1.3	1.2	1.2	1.3	4.9	1.3	1.4	1.2	1.3	5.2	1.4	1.3	1.4	1.4	5.5	1.4	1.4	1.4	1.4	5.6
<u>Restructuring and other</u>					0.0					0.0					0.0					0.0
Total operating expenses	2.6	3.2	2.7	3.1	11.5	2.9	3.6	3.4	3.3	13.2	2.9	3.0	3.3	3.3	12.5	3.2	3.2	3.2	3.2	12.8
Operating income (loss)	(2.6)	(3.2)	(2.7)	(3.1)	(11.5)	(2.9)	(3.6)	(3.4)	(3.3)	(13.2)	(2.9)	(3.0)	(3.3)	(3.3)	(12.5)	(3.1)	(3.1)	(3.0)	(2.9)	(12.1)
Interest income (expense)					0.0					0.0	(0.0)		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
<u>Other income (expense)</u>	0.2	0.0	(0.0)	(0.0)	0.1	(0.0)	(0.0)	(0.0)	0.0	(0.0)		0.4		0.4						0.0
Income before income taxes	(2.4)	(3.2)	(2.7)	(3.1)	(11.4)	(2.9)	(3.6)	(3.4)	(3.3)	(13.2)	(2.9)	(2.6)	(3.3)	(3.3)	(12.1)	(3.1)	(3.1)	(3.0)	(2.9)	(12.1)
<u>Income taxes</u>					0.0					0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (loss)	(2.4)	(3.2)	(2.7)	(3.1)	(11.4)	(2.9)	(3.6)	(3.4)	(3.3)	(13.2)	(2.9)	(2.6)	(3.3)	(3.3)	(12.1)	(3.1)	(3.1)	(3.0)	(2.9)	(12.1)
Nonrecurring/noncash adjustments					0.0					0.0					0.0					0.0
Net income (pro forma)	(2.4)	(3.2)	(2.7)	(3.1)	(11.4)	(2.9)	(3.6)	(3.4)	(3.3)	(13.2)	(2.9)	(2.6)	(3.3)	(3.3)	(12.1)	(3.1)	(3.1)	(3.0)	(2.9)	(12.1)
EBITDA																				
Shares, Basic	1.9	2.1	2.1	2.1	2.0	2.2	3.1	3.2	3.2	2.9	3.2	6.0	7.6	7.7	6.1	7.8	7.9	8.0	8.1	8.0
Shares, Diluted	1.9	2.1	2.1	2.1	2.0	2.2	3.1	3.2	3.2	2.9	3.2	6.0	7.6	7.7	6.1	7.8	7.9	8.0	8.1	8.0
EPS Basic (Pro forma)	(\$1.27)	(\$1.54)	(\$1.27)	(\$1.47)	(\$5.55)	(\$1.33)	(\$1.17)	(\$1.09)	(\$1.04)	(\$4.56)	(\$0.93)	(\$0.43)	(\$0.43)	(\$0.42)	(\$1.97)	(\$0.40)	(\$0.39)	(\$0.38)	(\$0.36)	(\$1.52)
EPS Diluted (Pro forma)	(\$1.27)	(\$1.54)	(\$1.27)	(\$1.47)	(\$5.55)	(\$1.33)	(\$1.17)	(\$1.09)	(\$1.04)	(\$4.56)	(\$0.93)	(\$0.43)	(\$0.43)	(\$0.42)	(\$1.97)	(\$0.40)	(\$0.39)	(\$0.38)	(\$0.36)	(\$1.52)
Margins																				
Gross margin													50%	50%	50%	50%	50%	50%	50%	50%
Research and development													#DIV/0!	1500%	5791%	650%	433%	325%	217%	347%
Sales and marketing													#DIV/0!	400%	1229%	250%	167%	125%	83%	133%
General and administrative													#DIV/0!	1400%	5513%	700%	467%	350%	233%	373%
Operating margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	#####	#####	-1550%	-1017%	-750%	-483%	-803%
Tax rate, GAAP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	#####	#####	-1550%	-1017%	-750%	-483%	-803%
YY % change																				
Total Revenue																#DIV/0!	#DIV/0!	#DIV/0!	500%	1400%
Gross margin																#DIV/0!	#DIV/0!	#DIV/0!	500%	1400%
Research and development	-25%	17%	-34%	24%	-7%	6%	6%	56%	17%	20%	15%	-24%	-18%	-10%	-12%	-7%	-7%	-13%	-13%	-10%
Sales and marketing	40%	91%	97%	99%	85%	111%	33%	53%	-14%	33%	-47%	-28%	-5%	22%	-14%	175%	102%	25%	25%	63%
General and administrative	-13%	-6%	-11%	38%	-1%	2%	15%	-3%	4%	5%	5%	-3%	20%	6%	7%	2%	4%	0%	0%	2%
Operating income (loss)	-17%	11%	-19%	36%	0%	11%	12%	29%	8%	14%	3%	-16%	-3%	-2%	-5%	5%	2%	-9%	-11%	-3%
Net income (loss)	-28%	11%	-27%	67%	-3%	20%	12%	29%	6%	16%	3%	-29%	-4%	-1%	-9%	5%	19%	-9%	-11%	0%
EPS Diluted (Pro forma)	-78%	-61%	-59%	5%	-55%	5%	-24%	-14%	-29%	-18%	-30%	-63%	-60%	-59%	-57%	-57%	-9%	-14%	-15%	-23%

Source: Company reports and Ascendant Capital Markets estimates.

Reflects a 1:20 reverse stock split in December 2022

ENDRA Life Sciences Inc.

Balance Sheet (\$ mils)	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	16.8	14.0	11.8	9.5	7.1	11.3	8.0	4.9	2.4	4.8	3.0	1.2	(1.6)	(4.2)	(7.0)	(9.5)
Short term investments											0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable, net											0.0	0.1	0.2	0.3	0.4	0.7
Inventory	0.7	1.3	1.5	1.3	1.9	2.4	2.6	2.6	2.7	2.8	0.0	0.0	0.0	0.0	0.0	0.1
Deferred income taxes											0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other	0.8	1.0	1.2	1.3	1.1	0.8	0.9	1.0	0.4	0.5	0.0	0.1	0.1	0.2	0.2	0.3
Total current assets	18.4	16.3	14.5	12.1	10.1	14.5	11.6	8.5	5.5	8.1	3.0	1.4	(1.3)	(3.7)	(6.4)	(8.5)
Property and equipment, net	0.2	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.4	0.4	0.5	0.5	0.7	0.9
Intangibles, net											0.0	0.0	0.0	0.0	0.0	0.0
Deferred income tax											0.0	0.0	0.0	0.0	0.0	0.0
Other	0.3	0.7	0.7	0.6	0.6	0.6	0.5	0.5	0.9	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Total assets	18.9	17.2	15.3	12.9	10.9	15.3	12.3	9.3	6.7	9.2	4.4	1.7	(0.8)	(3.2)	(5.6)	(7.6)
Liabilities and stockholders' equity																
Accounts payable	0.7	1.5	1.4	1.4	1.2	1.4	1.6	1.5	1.6	1.8	0.0	0.3	0.6	0.9	1.2	1.8
Accrued expenses											0.0	0.1	0.1	0.2	0.2	0.3
Deferred income tax											0.0	0.0	0.0	0.0	0.0	0.0
Other	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Short term debt								0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total current liabilities	0.8	1.6	1.6	1.5	1.4	1.5	1.7	1.7	1.8	2.0	0.2	0.5	0.9	1.2	1.6	2.3
Deferred income taxes											0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities											0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.3	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Long term debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total other liabilities	0.3	0.6	0.6	0.5	0.5	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Preferred stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.5	0.8	1.0	1.3	1.5
Additional paid-in capital	77.5	77.8	78.7	79.5	80.6	88.5	88.8	89.1	89.3	94.3	94.3	94.3	94.3	94.3	94.3	94.3
Retained earnings	(59.7)	(62.9)	(65.6)	(68.7)	(71.5)	(75.1)	(78.6)	(81.9)	(84.8)	(87.4)	(90.7)	(93.9)	(97.0)	(100.1)	(103.1)	(106.0)
Accumulated other comprehensive income											0.0	0.0	0.0	0.0	0.0	0.0
Other	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total stockholders' equity	17.9	15.0	13.2	10.8	9.1	13.3	10.2	7.2	4.5	6.9	3.9	0.9	(2.0)	(4.7)	(7.5)	(10.1)
Total stockholders' equity and liabilities	18.9	17.2	15.3	12.9	10.9	15.3	12.3	9.3	6.7	9.2	4.4	1.7	(0.8)	(3.2)	(5.6)	(7.6)

Balance Sheet Drivers

	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev											50%	50%	50%	50%	50%	50%
Accounts payable as % of total rev											300%	300%	300%	300%	300%	300%
Inventories as % of cost of rev											20%	20%	20%	20%	20%	20%
Accrued expenses as % of total rev											50%	50%	50%	50%	50%	50%
Activity Ratios																
A/R Days Sales Outstanding											100	100	100	100	100	100
Inventory Turnover											#DIV/0!	0.0x	20.0x	20.0x	20.0x	20.0x
A/P Days Payable											#DIV/0!	#DIV/0!	540	540	540	540
Book & Cash Value (per share)																
Book Value per Share (diluted)	\$9.45	\$7.19	\$6.28	\$5.10	\$4.21	\$4.33	\$3.23	\$2.27	\$1.42	\$1.16	\$0.51	\$0.12	-\$0.25	-\$0.60	-\$0.94	-\$1.25
Cash per Share (diluted)	\$8.92	\$6.74	\$5.63	\$4.47	\$3.31	\$3.66	\$2.54	\$1.54	\$0.74	\$0.80	\$0.40	\$0.15	-\$0.21	-\$0.54	-\$0.88	-\$1.17
Net cash per Share (diluted)	\$8.90	\$6.73	\$5.61	\$4.46	\$3.30	\$3.65	\$2.53	\$1.53	\$0.73	\$0.80	\$0.39	\$0.15	-\$0.21	-\$0.54	-\$0.88	-\$1.18

Source: Company reports and Ascendant Capital Markets estimates

ENDRA Life Sciences Inc.

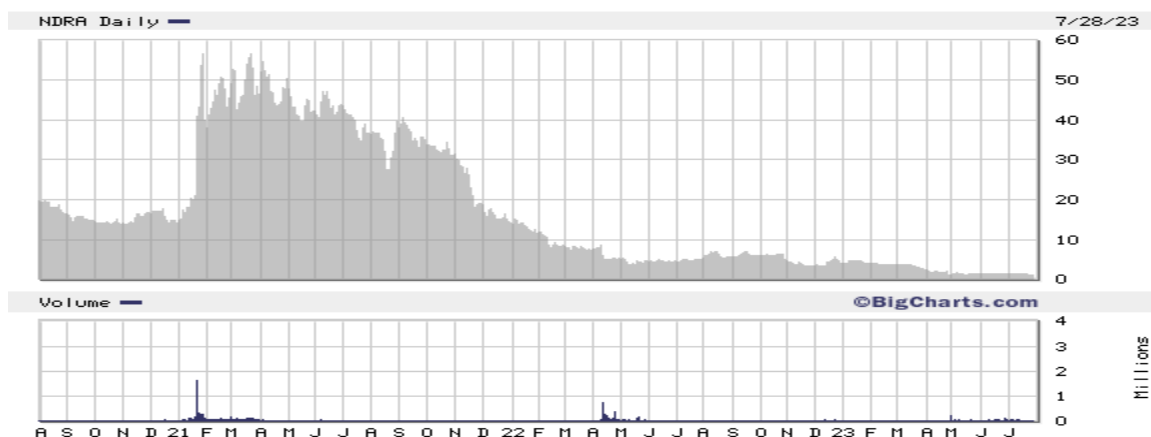
Cash Flow Statement (\$ mils)	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Cash flow from operating activities																					
Net income	(2.3)	(3.2)	(2.7)	(3.1)	(11.2)	(2.9)	(3.6)	(3.4)	(3.3)	(13.2)	(2.9)	(2.6)	(3.3)	(3.3)	(12.1)	(3.1)	(3.1)	(3.0)	(2.9)	(12.1)	
Depreciation	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	
Amortization	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	
Debt related amortization expen	(0.3)				(0.3)					0.0					0.0					0.0	
Stock comp	0.4	0.3	0.3	0.4	1.4	0.3	0.3	0.3	0.3	1.2	0.2	0.3	0.3	0.3	1.0	0.3	0.3	0.3	0.3	1.0	
Deferred income taxes					0.0					0.0					0.0					0.0	
Change in fair value of warrant liability					0.0					0.0					0.0					0.0	
Writedowns and impairments				0.0	0.0				0.0	0.0					0.0					0.0	
Other gains/losses					0.0					0.0					0.0					0.0	
Other					0.0					0.0					0.0					0.0	
Changes in operating assets and liabilities:																					
Accounts receivable					0.0					0.0				0.0	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	(0.6)	
Inventory	(0.1)	(0.6)	(0.2)	0.2	(0.7)	(0.6)	(0.4)	(0.3)	(0.0)	(1.4)	(0.1)	(0.0)	2.8	(0.0)	2.6	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	
Prepaid expenses & other curre	(0.4)	(0.2)	(0.2)	(0.2)	(1.0)	0.3	0.2	(0.1)	(0.1)	0.4	0.1	(0.2)	0.5	(0.1)	0.4	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)	
Income tax					0.0					0.0					0.0					0.0	
Other assets					0.0					0.0				1.0	1.0	0.0	0.0	0.0	0.0	0.0	
Accounts payable	(0.2)	0.8	(0.1)	(0.0)	0.5	(0.2)	0.1	0.2	(0.0)	0.1	0.1	0.2	(1.8)	0.3	(1.2)	0.3	0.3	0.3	0.6	1.5	
Accrued expenses					0.0					0.0				0.1	0.1	0.1	0.1	0.1	0.1	0.3	
Other liabilities	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0	
Net cash (used in) provided by	(2.9)	(2.8)	(2.7)	(2.7)	(11.1)	(3.1)	(3.3)	(3.2)	(3.1)	(12.769)	(2.5)	(2.3)	(1.6)	(1.8)	(8.2)	(2.6)	(2.6)	(2.5)	(2.3)	(10.0)	
Cash flow from investing activities																					
Purchases of property and equi	(0.0)				(0.0)	(0.1)	(0.1)	(0.0)	(0.0)	(0.2)	(0.0)		(0.2)	(0.0)	(0.3)	(0.2)	(0.0)	(0.3)	(0.2)	(0.7)	
Purchases of short-term investments					0.0					0.0					0.0					0.0	
Acquisitions					0.0					0.0					0.0					0.0	
Other					0.0					0.0					0.0					0.0	
Net cash used in investing acti	(0.0)	0.0	0.0	0.0	(0.0)	(0.1)	(0.1)	(0.0)	(0.0)	(0.2)	(0.0)	0.0	(0.2)	(0.0)	(0.3)	(0.2)	(0.0)	(0.3)	(0.2)	(0.7)	
Cash flow from financing activities																					
Issuance of debt					0.0					0.0				0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Repayment of debt					0.0					0.0				0.0	0.0					0.0	
Issuance of stock	9.8		0.5	0.3	10.6	0.9	7.5			8.4		4.7	0.0	4.7	0.0	0.0	0.0	0.0	0.0	0.0	
Proceeds from stock option exe	2.8				2.8					0.0		0.0		0.0	0.0					0.0	
Other					0.0					0.0				0.0	0.0					0.0	
<u>Dividends and distributions</u>					0.0					0.0				0.0	0.0					0.0	
Cash provided by (used in) fina	12.6	0.0	0.5	0.3	13.4	0.9	7.5	0.0	0.0	8.4	0.0	4.7	0.0	0.0	4.7	0.0	0.0	0.0	0.0	0.0	
Effect of exchange rate on cash					0.0					0.0					0.0					0.0	
Net increase (decrease) in cash	9.6	(2.8)	(2.3)	(2.3)	2.2	(2.3)	4.2	(3.3)	(3.1)	(4.6)	(2.5)	2.5	(1.8)	(1.8)	(3.7)	(2.8)	(2.6)	(2.8)	(2.5)	(10.7)	
Beginning cash and equivalents	7.2	16.8	14.0	11.8	7.2	9.5	7.1	11.3	8.0	9.5	4.9	2.4	4.8	3.0	4.9	1.2	(1.6)	(4.2)	(7.0)	1.2	
Ending cash and equivalents	16.8	14.0	11.8	9.5	9.5	7.1	11.3	8.0	4.9	4.9	2.4	4.8	3.0	1.2	1.2	(1.6)	(4.2)	(7.0)	(9.5)	(9.5)	

Source: Company reports and Ascendant Capital Markets estimates

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ENDRA Life Sciences Inc.



Source: <https://bigcharts.marketwatch.com/>

Report	Report Date	Rating	Price Target
1	4/10/2019	Buy	90.00
2	5/15/2019	Buy	85.00
3	8/12/2019	Buy	65.00
4	11/18/2019	Buy	55.00
5	1/28/2020	Buy	60.00
6	3/29/2020	Buy	50.00
7	5/19/2020	Buy	55.00
8	8/18/2020	Buy	65.00
9	11/21/2020	Buy	70.00
10	4/4/2021	Buy	110.00
11	5/31/2021	Buy	120.00
12	8/23/2021	Buy	130.00
13	11/17/2021	Buy	125.00
14	4/12/2022	Buy	110.00
15	6/5/2022	Buy	100.00
16	9/7/2022	Buy	90.00
17	11/21/2022	Buy	85.00
18	3/28/2023	Buy	30.00
19	5/30/2023	Buy	20.00

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HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

SELL: We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

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Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
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Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	52	100%	16	31%

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