



Envoy Medical, Inc.

Reports Q4 results. Acclaim CI trial start and progress to be strong catalysts for stock over the next year. Raising P/T to \$9.25.

COMPANY UPDATE

Rating: BUY

Ticker: COCH

Price: \$1.34

Target: \$9.25
(from \$9.00)

Reports Q4 results: Envoy recently (on March 31) reported its fiscal Q4 2024 (ending December) results. Revenue was ~\$0 million, compared to our and consensus estimates of \$0.1 million. Net loss was \$9.1 million or EPS of \$(0.46), which compared with our estimates of \$(0.25) and consensus of \$(0.32). There was no Q4 guidance. Envoy is an early/clinical/commercialization stage medical device development company so it generates minimal revenue.

No guidance: Management did not provide forward guidance, but we believe ~\$4 million to be a reasonable near term quarterly cash burn rate.

Adjusting estimates: We are adjusting our 2025 estimates for revenue to \$0.2 million, from \$0.3 million, and for EPS to \$(1.20) from \$(1.15).

Acclaim CI: Envoy has developed the Acclaim CI, a fully implanted cochlear implant. The Acclaim CI does not have the need for any external component to be worn on the ear. The Acclaim CI is designed to address severe to profound sensorineural hearing loss that is not adequately addressed by hearing aids.

Large market potential: According to the National Center for Health Statistics, hearing loss impacts about 15% of the adult population in the U.S. Among older adults, nearly 25% of people aged 65 to 74 have disabling hearing loss, and 50% of those aged 75 and older have disabling hearing loss, according to the National Institute on Deafness and Other Communications Disorders.

Acclaim CI market potential: The company believes there is a significant population of adults in the U.S. who are cochlear implant candidates but choose not to get the therapy because of the external component required for daily hearing. The company believes there will be ~25,000 - 30,000 adults implanted with a cochlear implant in the U.S. every year by 2026, representing an annual market opportunity that exceeds \$750 million. ~50% of the hearing device market is international, so that offers significant opportunity for expansion.

Recent IDE approval: In November, the Acclaim CI received approval for its IDE (investigational device exemption) application with the FDA to begin clinical testing. The Acclaim currently has three EFS (early feasibility study) participants (enrolled and device implanted at the Mayo Clinic in Rochester, MN in Q4 2022).

Start of trial: To date, 6 of the planned 10 participants in the Pivotal Clinical Trial's first stage have been enrolled and implanted, two of which have been activated.

Potential 2027 FDA approval: The company believes its pivotal clinical trial will require ~50 to 60 patients and take about a year. Clinical trials will start shortly (late 2024 or early 2025), and the company anticipates the potential to obtaining FDA approval in 2027.

Esteem: The company's first commercial product, the Esteem Fully Implanted Active Middle Ear Implant ("Esteem FI-AMEI"), is a fully implanted active middle ear hearing device. The Esteem FI-AMEI was approved for sale in 2010 by the U.S. FDA (Food and Drug Administration).

Positive high risks versus high rewards: Overall, concerns outweighed by growth prospects and valuation. Envoy Medical's 2 devices still have long development and/or commercialization roads left and the high risks of clinical trials or commercial failures, but we believe the ~billion dollars market potential presents high rewards for the risks.

Current valuation attractive: We are maintaining our BUY rating, but raising our 12-month price target to \$9.25 from \$9.00, based on a NPV analysis, representing significant upside from the current share price. We believe this valuation fairly balances out the high risks with large upside opportunities.

Company Description

Based in White Bear Lake, MN, Envoy Medical is a hearing health company focused on providing innovative medical technologies for hearing loss.

United States
Healthcare

April 18, 2025

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Stock Data

Exchange:	NasdaqCM
52-week Range:	1.21 – 5.77
Shares Outstanding (million):	21
Market cap (\$million):	\$28
EV (\$million):	\$41
Debt (\$million):	\$19
Cash (\$million):	\$6
Avg. Daily Trading Vol. (\$million):	\$0.2
Float (million shares):	11
Short Interest (million shares):	~0
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2025E</u> <u>(Cur.)</u>	<u>2025E</u> <u>(Old)</u>	<u>2026E</u> <u>(Cur.)</u>	<u>2026E</u> <u>(Old)</u>
Q1 Mar	0.1E		0.1E	
Q2 Jun	0.1E		0.1E	
Q3 Sep	0.1E		0.1E	
Q4 Dec	<u>0.1E</u>		<u>0.1E</u>	
Total	0.2E	0.3E	0.3E	
EV/Revs	N/A		N/A	

Earnings per Share (pro forma)

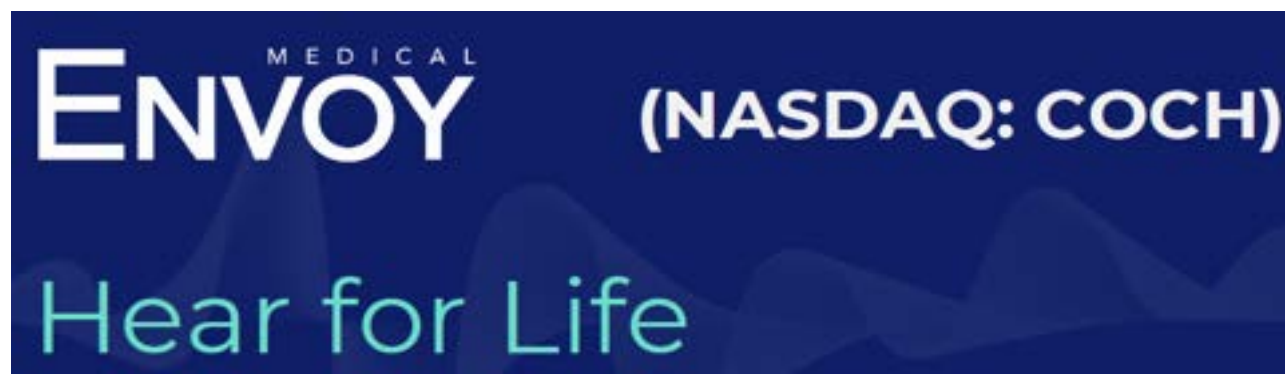
	<u>2025E</u> <u>(Cur.)</u>	<u>2025E</u> <u>(Old)</u>	<u>2026E</u> <u>(Cur.)</u>	<u>2026E</u> <u>(Old)</u>
Q1 Mar	(0.30)E	(0.28)E	(0.30)E	
Q2 Jun	(0.30)E		(0.29)E	
Q3 Sep	(0.30)E	(0.29)E	(0.29)E	
Q4 Dec	<u>(0.31)E</u>	<u>(0.29)E</u>	<u>(0.28)E</u>	
Total	(1.20)E	(1.15)E	(1.17)E	
P/E	N/A		N/A	

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 13.

Exhibit 1: Envoy Medical, Inc. Corporate Overview



Who We Are COMPANY OVERVIEW

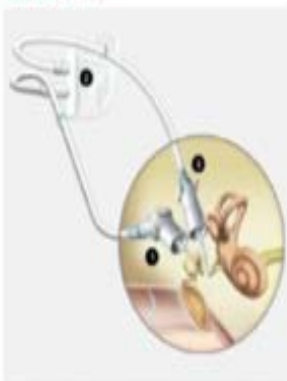
Envoy Medical (NASDAQ: COCH) is:

- an innovative hearing health company based in the United States (MN) focused on hearing implants,
- leading the way in "fully" or "totally" implanted hearing devices,
- the only company in the world that has successfully gotten a fully implanted hearing device approved by the FDA,
- planning to disrupt a complacent cochlear implant industry,
- dedicated to improving patient access, usability, compliance, and ultimately quality of life.

We are different because our devices:

- leverage the natural ear to pick up sound.
- do not rely on artificial microphones.
- allow the outer ear to be used by the patient.

Esteem®



The only FDA-approved, fully-implanted active middle ear implant. FDA approval in 2010. Implanted in approx. 1,000 patients.

Acclaim®



A fully implanted cochlear implant ("FICI" or "TICI") that represents a paradigm shift in cochlear implants. It is currently in clinical trials and investigational.

Source: Company reports.

Exhibit 2: Envoy Medical's Acclaim CI Opportunity

FULLY IMPLANTED COCHLEAR IMPLANT: AN OBVIOUS OPPORTUNITY

- We believe that if a given an opportunity to choose between a fully-implanted cochlear implant with no externals and a partially-implanted cochlear implant with externals, a significant portion of patients would choose the fully implanted cochlear implant.
- Externals associated with traditional cochlear implants are obvious and can get in the way of a person's life.
- Envoy Medical intends to be the catalyst for change the market wants and, frankly, needs.
- Envoy Medical has developed **an important missing piece** in the solution – our sensor technology.
- Envoy Medical's sensor is an elegant solution for a fully implanted device.
 - Leverages the natural outer and middle ear.
 - Low power needs.
 - Not an artificial microphone.
 - Not a sub-dermal microphone (lowers chances of body noise issues).

Source: Company reports.

Exhibit 3: Hearing Loss Global Market Opportunity

HEARING LOSS: THE OVERALL GLOBAL MARKET

Key Facts from the World Health Organization¹:

- More than 1.5 billion people may have some form of hearing loss during their lifetime.
- Approximately 430 million of those individuals have "disabling hearing loss" that requires intervention.
- It is estimated that nearly \$1 trillion (USD) may be lost every year globally due to a failure to address hearing loss properly.
- By 2050, these numbers are expected to jump significantly:
 - 2.5 billion people are projected to have some degree of hearing loss,
 - 700 million may have "disabling hearing loss" that requires hearing rehabilitation.
- Hearing loss is significantly more common with increased age. Approximately 1 in 4 (25%) of people over the age of 60 are impacted by "disabling hearing loss."

Sources:

(1) World report on hearing, Geneva: World Health Organization; 2021. License: CC BY-NC-SA 3.0 IGO.

(2) "Disabling hearing" refers to a level of hearing loss that is 35 decibels (dB) or more in the better hearing ear.

Source: Company reports.

Exhibit 4: Envoy Medical Acclaim CI Timeline (as of July 2024)

Clinical Strategy

ILLUSTRATIVE TRACK TO COMMERCIALIZATION

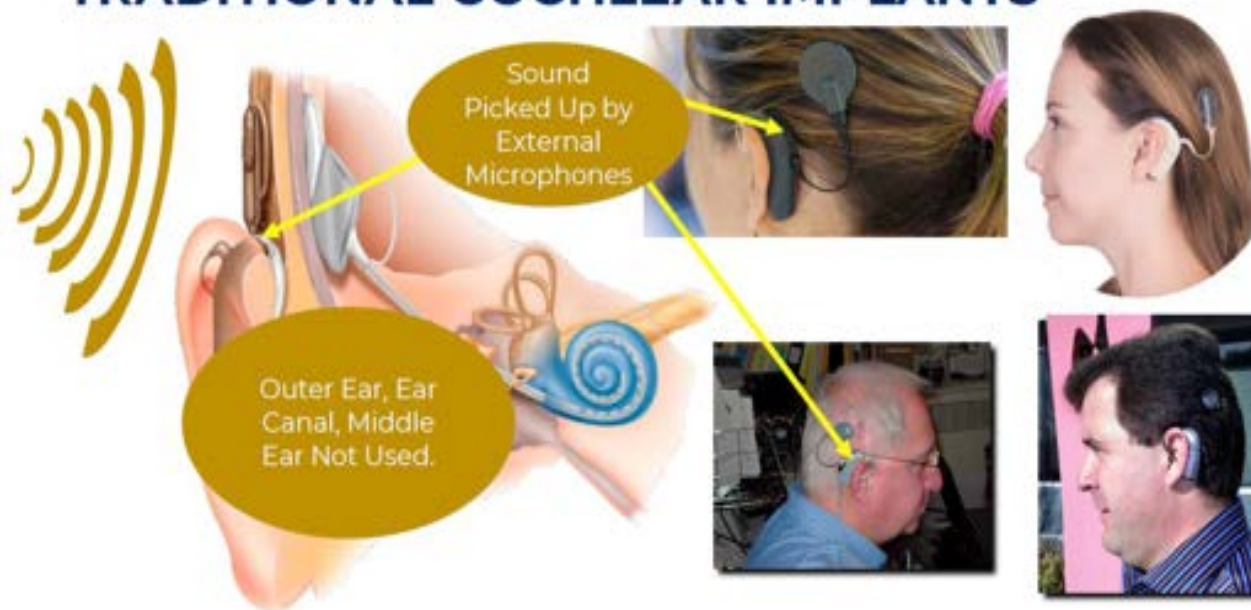


Source: Company reports.

Exhibit 5: Cochlear Implant Market Opportunity

Acclaim Opportunity

TRADITIONAL COCHLEAR IMPLANTS



Acclaim Opportunity

TRADITIONAL COCHLEAR IMPLANTS

Cochlear implants replace the function of the inner ear by providing direct electrical stimulation of the auditory nerve.

Sound processor - External

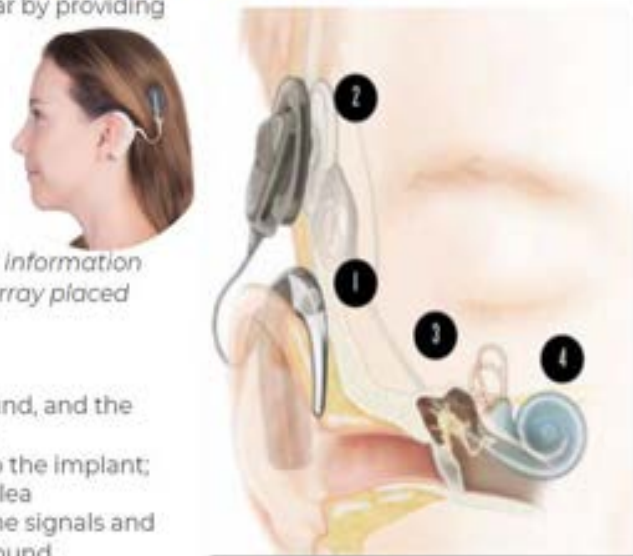
Picks up and processes sound into detailed digital information

Implant - Internal

Converts the digital sound information into electrical information that is sent to the auditory nerve from an electrode array placed inside the cochlea

Illustrative Device Overview:

- 1) Microphones on the sound processor pick up sound, and the processor converts them into digital information
- 2) This information is transferred through the coil to the implant; the implant sends electrical signals into the cochlea
- 3) The hearing nerve fibers in the cochlea pick up the signals and send them to the brain, giving the sensation of sound




Source: Company reports.

Exhibit 6: Acclaim CI (Cochlear Implant)

Novel Technology

ACCLAIM® EXPECTS TO BE FIRST OF-ITS-KIND FULLY IMPLANTED COCHLEAR IMPLANT (FICI) DEVICE



FDA
Breakthrough
Device
Designation

DISCREET

- No need for externally worn components.
- Ear will pick up the sound naturally. No external artificial microphone needed.

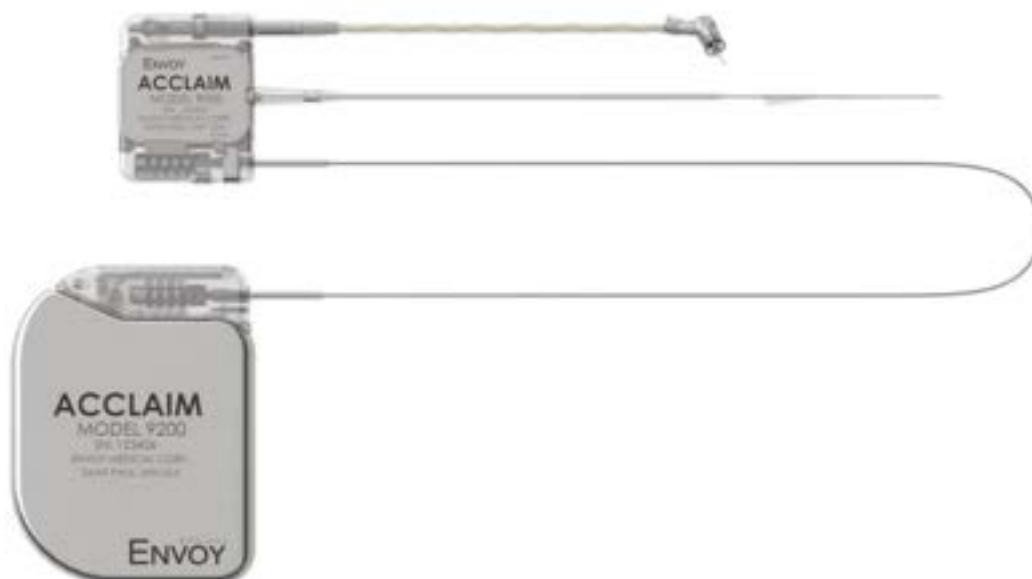
DEPENDABLE

- Designed to allow true 24/7 hearing.
- Reliable in many environments and activities.

EASY

- No expensive external sound processors to replace when lost or damaged.
- No frequent battery changes or charging. Rechargeable battery expected to last several days between charges and designed to last 8-12 years.
- No magnets. Designed to be MRI compatible.*

*MRI compatibility not yet determined.

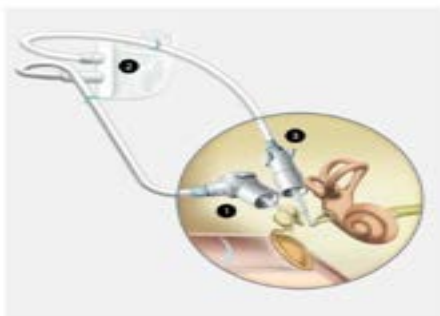


Source: Company reports.

Exhibit 7: Esteem FI-AMEI (Fully Implanted Active Middle Ear Implant)

Executive Summary

PRODUCT OVERVIEW – ESTEEM®



The Esteem® is the first and only FDA-approved, fully-implanted active middle ear implant (AMEI).

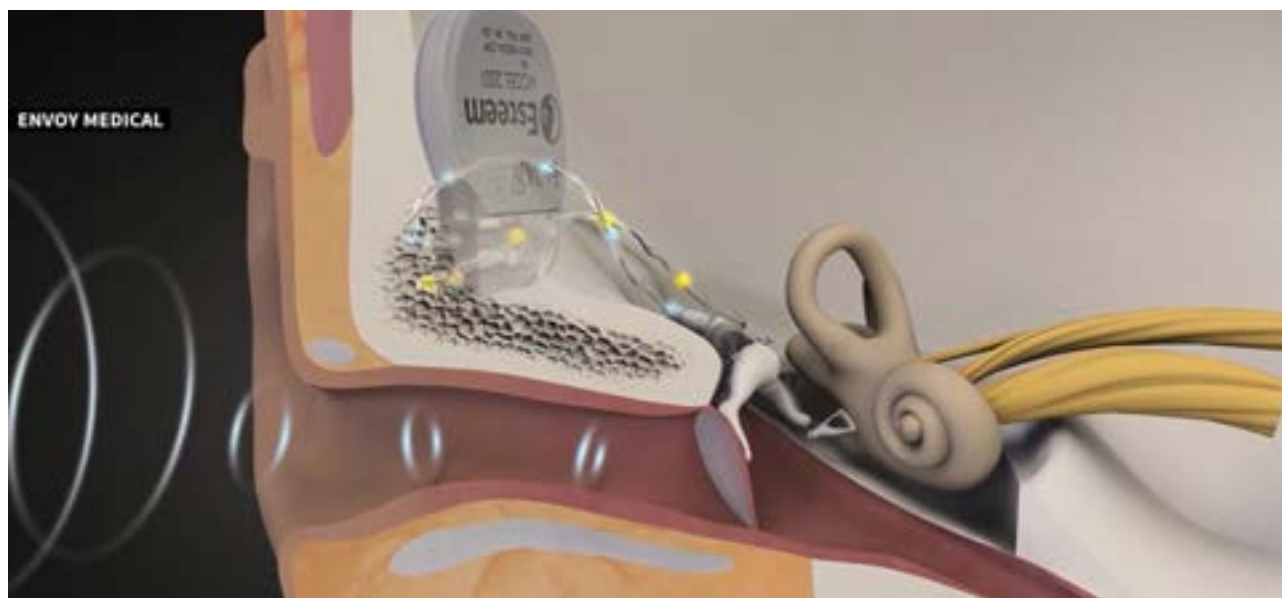
- 1) The Envoy Sensor converts the vibrations into electrical signals that are sent to the implanted Esteem Sound Processor
- 2) The Esteem Sound Processor receives, adjusts and intensifies the signals to fit your unique hearing needs
- 3) The Esteem Driver directly transfers these signals to the inner ear where the hair cells are stimulated, causing you to hear

Positive Interim Results for IGC-AD1 in Reducing Alzheimer's Agitation

At the primary outcome, assessing the change in v as measured by the CMAI at week 6, the Cohen's d effect size indicating the superiority of IGC-AD1 over placebo was 0.66.

The Esteem® Opportunity

THREE FULLY IMPLANTED COMPONENTS



Source: Company reports.

Exhibit 8: Q4 2024 Results and Recent Highlights (as of March 31, 2025)

Envoy Medical Reports Fourth Quarter and Full Year 2024 Financial Results

Mar 31, 2025

Company Provides Corporate Update that Includes Information on its Progress Enrolling Subjects in its Pivotal Clinical Study for Breakthrough Device, the Fully Implanted Acclaim® Cochlear Implant

White Bear Lake, Minnesota--(Newsfile Corp. - March 31, 2025) - Envoy Medical®, Inc. (NASDAQ: COCH) ("Envoy Medical"), a revolutionary hearing health company focused on fully implanted hearing devices, today announced its corporate and financial results for the fourth quarter and full year ended December 31, 2024, as well as other subsequent events.

Brent Lucas, CEO of Envoy Medical commented: "Envoy Medical had a successful 2024 and we are off to a wonderful start in 2025. Obtaining FDA's approval to begin our pivotal clinical trial for the fully implanted Acclaim cochlear implant was a milestone many years in the making, and we are very excited to report that enrollment is going extremely well. The investigational sites are reporting a tremendous amount of patient interest in our fully implanted cochlear implant. We believe we have a special product and a great opportunity to change the hearing implant industry. We are also pleased with the progress surrounding the Hearing Device Coverage Clarification Act, which, if passed, could provide our Esteem® implant with a pathway to Medicare coverage. In addition, the establishment of new CPT codes for fully implanted active middle ear implants, which become effective in July of this year, furthered our efforts in the quest for the Esteem implant to become a reimbursed product."

Financial and Corporate Highlights for 2024 and to date:

- Continued to make modifications that have shown promising reduction in previously discussed electrical system noise (i.e., not physiological or "body noise") in initial results of the Early Feasibility Trial of the fully implanted Acclaim® cochlear implant.
- Several modifications in firmware, software, programming, protocol design, and hardware incorporated into Pivotal Clinical Trial.
- All three previously implanted Early Feasibility Trial patients have successfully completed 24 months of follow-up. No reported Unanticipated Device Events or Serious Adverse Device Effects.
- Received FDA approval to initiate a staged Pivotal Clinical Trial for its fully implanted Acclaim® cochlear implant.
- Selected seven top-tier cochlear implant programs as investigational sites for the Pivotal Clinical Trial.
- To date, six of the planned 10 participants in the Pivotal Clinical Trial's first stage have been enrolled and implanted, two of which have been activated.
- Continued to push for the bipartisan Hearing Device Coverage Classification Act, which seeks to clarify that Implanted Active Middle Ear Implants are prosthetics, not hearing aids, making them eligible for Medicare coverage. The respective bills were reintroduced in both the US House of Representatives and US Senate for the 119th Congress.
- Reported that the American Medical Association approved groundbreaking new CPT codes for totally implantable active middle ear hearing implants opening new potential opportunities for Envoy Medical's fully implanted active middle ear implant – the Esteem® device.
- Reported that it continued to increase its portfolio of patents and intellectual property.

Source: Company reports.

Exhibit 9: Envoy Medical, Inc. Stock Price (4-years since IPO)

SPAC (Anzu Special Acquisition Corp I) IPO - 3/4/21

SPAC Merger Announcement (with Envoy Medical Corporation) - 4/17/23

SPAC Merger Completion (to form Envoy Medical, Inc.) - 9/29/23



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

Exhibit 10: Consensus Expectations (as of March 31, 2025)

	Revenue (mil)			EPS	
	2024E	2025E		2024E	2025E
Q1 Mar	\$0.1A	\$0.1E	Q1 Mar	\$(0.32)A	\$(0.30)E
Q2 Jun	\$0.1A		Q2 Jun	\$(0.27)A	
Q3 Sep	\$0.1A		Q3 Sep	\$(0.37)A	
Q4 Dec	\$0.1E		Q4 Dec	\$(0.32)E	
Total	\$0.3E	\$0.3E	Total	\$(1.25)E	\$(1.22)E

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

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

FINANCIAL MODEL

Envoy Medical, Inc.

Income Statement (\$ mils)	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	Mar-26	Jun-26	Sep-26	Dec-26	2026
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	0.078	0.063	0.080	0.095	0.316	0.059	0.068	0.056	0.042	0.225	0.050	0.050	0.050	0.050	0.200	0.075	0.075	0.075	0.075	0.300
Cost of Revenues	0.294	0.333	0.189	(0.027)	0.789	0.153	0.245	0.187	0.157	0.742	0.100	0.100	0.100	0.100	0.400	0.150	0.150	0.150	0.150	0.600
Gross Profit	(0.216)	(0.270)	(0.109)	0.122	(0.473)	(0.094)	(0.177)	(0.131)	(0.115)	(0.517)	(0.050)	(0.050)	(0.050)	(0.050)	(0.200)	(0.075)	(0.075)	(0.075)	(0.075)	(0.300)
Research & development	1.809	1.981	1.850	3.316	8.956	2.360	2.591	2.757	2.471	10.179	3.200	3.200	3.200	3.200	12.800	3.200	3.200	3.200	3.200	12.800
Sales and marketing				1.666	1.666	0.325	0.497	0.394	0.518	1.734	0.400	0.400	0.400	0.400	1.600	0.400	0.400	0.400	0.400	1.600
General & administrative	1.746	2.229	1.426	1.875	7.276	2.119	1.595	1.692	1.420	6.826	2.000	2.000	2.000	2.000	8.000	2.000	2.000	2.000	2.000	8.000
Restructuring and other					0.000					0.000					0.000					0.000
Total operating expenses	3.555	4.210	3.276	6.857	17.898	4.804	4.683	4.843	4.409	18.739	5.600	5.600	5.600	5.600	22.400	5.600	5.600	5.600	5.600	22.400
Operating income (loss)	(3.771)	(4.480)	(3.385)	(6.735)	(18.371)	(4.898)	(4.860)	(4.974)	(4.524)	(19.256)	(5.650)	(5.650)	(5.650)	(5.650)	(22.600)	(5.675)	(5.675)	(5.675)	(5.675)	(22.700)
Interest income (expense)					0.000	(0.036)	(0.132)	(0.264)	(0.384)	(0.816)	(0.702)	(0.956)	(0.956)	(1.331)	(3.946)	(1.331)	(1.331)	(1.331)	(1.331)	(5.325)
Other income (expense)	(9.982)	(9.266)	4.948	2.763	(11.537)	(1.336)	(0.320)	(2.102)	(4.143)	(7.901)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Income before income taxes	(13.753)	(13.746)	1.563	(3.972)	(29.908)	(6.270)	(5.312)	(7.340)	(9.051)	(27.973)	(6.352)	(6.606)	(6.606)	(6.981)	(26.546)	(7.006)	(7.006)	(7.006)	(7.006)	(28.025)
Income taxes					0.000					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net income (loss)	(13.753)	(13.746)	1.563	(3.972)	(29.908)	(6.270)	(5.312)	(7.340)	(9.051)	(27.973)	(6.352)	(6.606)	(6.606)	(6.981)	(26.546)	(7.006)	(7.006)	(7.006)	(7.006)	(28.025)
Nonrecurring/noncash adjustments					0.000					0.000					0.000					0.000
Net income (pro forma)	(13.753)	(13.746)	1.563	(3.972)	(29.908)	(6.270)	(5.312)	(7.340)	(9.051)	(27.973)	(6.352)	(6.606)	(6.606)	(6.981)	(26.546)	(7.006)	(7.006)	(7.006)	(7.006)	(28.025)
EBITDA																				
Shares, Basic	10.123	10.123	10.214	19.600	12.553	19.600	19.600	19.616	19.616	18.790	21.300	21.800	22.300	22.800	22.050	23.300	23.800	24.300	24.800	24.050
Shares, Diluted	10.123	10.123	11.215	19.600	12.553	19.600	19.600	19.616	19.616	18.790	21.300	21.800	22.300	22.800	22.050	23.300	23.800	24.300	24.800	24.050
EPS Basic (pro forma)	(\$1.36)	(\$1.36)	\$0.15	(\$0.20)	(\$2.38)	(\$0.32)	(\$0.27)	(\$0.37)	(\$0.46)	(\$1.49)	(\$0.30)	(\$0.30)	(\$0.30)	(\$0.31)	(\$1.20)	(\$0.30)	(\$0.29)	(\$0.29)	(\$0.28)	(\$1.17)
EPS Diluted (pro forma)	(\$1.36)	(\$1.36)	\$0.14	(\$0.20)	(\$2.38)	(\$0.32)	(\$0.27)	(\$0.37)	(\$0.46)	(\$1.49)	(\$0.30)	(\$0.30)	(\$0.30)	(\$0.31)	(\$1.20)	(\$0.30)	(\$0.29)	(\$0.29)	(\$0.28)	(\$1.17)
Margins																				
Gross margin	-277%	-429%	-136%	128%	-150%	-159%	-260%	-234%	-274%	-230%	-100%	-100%	-100%	-100%	-100%	-100%	-100%	-100%	-100%	-100%
Research & development	2319%	3144%	2313%	3491%	2834%	4000%	3810%	4923%	5883%	4524%	6400%	6400%	6400%	6400%	6400%	4267%	4267%	4267%	4267%	4267%
General & administrative	2238%	3538%	1783%	1974%	2303%	3592%	2346%	3021%	3381%	3034%	4000%	4000%	4000%	4000%	4000%	2667%	2667%	2667%	2667%	2667%
Operating margin	-4835%	-7111%	-4231%	-7089%	-5814%	-8302%	-7147%	-8882%	-10771%	-8558%	#####	#####	#####	#####	#####	-7567%	-7567%	-7567%	-7567%	-7567%
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	-17632%	-21819%	1954%	-4181%	-9465%	-10627%	-7812%	-13107%	-21550%	-12432%	#####	#####	#####	#####	#####	-9342%	-9342%	-9342%	-9342%	-9342%
Y/Y % change																				
Total Revenue	-23%	7%	40%	375%	33%	-24%	8%	-30%	-56%	-29%	-15%	-26%	-11%	19%	-11%	50%	50%	50%	50%	50%
Gross margin	93%	70%	122%	-131%	-34%	-56%	-34%	20%	-194%	9%	-47%	-72%	-62%	-57%	-61%	50%	50%	50%	50%	50%
Research & development	73%	46%	98%	182%	98%	30%	31%	49%	-25%	14%	36%	24%	16%	30%	26%	0%	0%	0%	0%	0%
General & administrative	168%	231%	76%	41%	110%	21%	-28%	19%	-24%	-6%	-6%	25%	18%	41%	17%	0%	0%	0%	0%	0%
Operating income (loss)	108%	104%	88%	132%	111%	30%	8%	47%	-33%	5%	15%	16%	14%	25%	17%	0%	0%	0%	0%	0%
Net income (loss)	480%	692%	-217%	-68%	67%	-54%	-61%	-570%	128%	-6%	1%	24%	-10%	-23%	-5%	10%	6%	6%	0%	6%
EPS Diluted (pro forma)	480%	692%	-205%	-84%	35%	-76%	-80%	-368%	128%	-38%	-7%	12%	-21%	-34%	-19%	1%	-3%	-3%	-8%	-3%

Source: Company reports and Ascendant Capital Markets estimates.

Envoy Medical, Inc.

Balance Sheet (\$ mils)	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
Fiscal Year End: December 31	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets															
Cash and cash equivalents	0.068	7.440	4.218	4.945	1.746	4.424	5.483	6.893	1.024	5.155	(1.089)	(6.154)	(10.822)	(17.091)	(21.758)
Short term investments								0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Restricted cash		9.400						0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Accounts receivable, net	0.055	0.109	0.070	0.189	0.174	0.197	0.038	0.042	0.042	0.042	0.042	0.063	0.063	0.063	0.063
Inventory	1.306	1.397	1.404	1.455	1.582	1.641	1.708	0.500	0.500	0.500	0.500	0.750	0.750	0.750	0.750
Deferred income taxes								0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Prepaid expenses and other	0.294	1.997	1.133	1.141	1.494	0.874	2.155	0.050	0.050	0.050	0.050	0.075	0.075	0.075	0.075
Total current assets	1.723	20.343	6.825	7.730	4.996	7.136	9.384	7.485	1.616	5.747	(0.498)	(5.267)	(9.934)	(16.203)	(20.871)
Property and equipment, net	0.345	0.378	0.351	0.317	0.632	1.197	1.275	0.691	0.107	(0.477)	(1.061)	(1.645)	(3.831)	(4.415)	(6.601)
Leases	0.525	0.494	0.464	0.433	1.109	1.064	0.879	0.879	0.879	0.879	0.879	0.879	0.879	0.879	0.879
Intangibles, net								0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Deferred income tax								0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other								0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total assets	2.593	21.215	7.640	8.480	6.737	9.397	11.538	9.055	2.602	6.149	(0.680)	(6.033)	(12.886)	(19.739)	(26.593)
Liabilities and stockholders' equity															
Accounts payable	2.360	3.381	1.554	0.913	1.589	1.757	1.652	1.500	1.500	1.500	1.500	2.250	2.250	2.250	2.250
Accrued expenses	0.747	4.052	4.613	5.621	6.004	6.854	4.416	1.500	1.500	1.500	1.500	2.250	2.250	2.250	2.250
Payable to related party		4.000						0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Deferred revenue								0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Deferred income tax								0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Leases	0.148	0.149	0.158	0.157	0.175	0.225	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143	0.143
Product warranty liability	0.256	0.228	0.311	0.305	0.290	0.238	0.282	0.282	0.282	0.282	0.282	0.282	0.282	0.282	0.282
Warrant liabilities		0.846					0.472	0.472	0.472	0.472	0.472	0.472	0.472	0.472	0.472
Other		0.034					0.573	0.573	0.573	0.573	0.573	0.573	0.573	0.573	0.573
Short term debt	0.676							0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total current liabilities	4.187	12.690	6.636	6.996	8.058	9.074	7.538	4.470	4.470	4.470	4.470	5.970	5.970	5.970	5.970
Deferred income taxes								0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Product warranty liability	2.090	2.025	1.923	1.923	1.923	1.923	1.771	1.771	1.771	1.771	1.771	1.771	1.771	1.771	1.771
Leases	0.467	0.440	0.404	0.378	1.121	1.028	0.802	0.802	0.802	0.802	0.802	0.802	0.802	0.802	0.802
Deferred revenue								0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Warrant liabilities	0.231	1.274	0.439	1.775	0.730	1.545	0.662	0.662	0.662	0.662	0.662	0.662	0.662	0.662	0.662
Other long term liabilities							0.891	0.891	0.891	0.891	0.891	0.891	0.891	0.891	0.891
Long term debt	55.324			4.821	7.292	14.356	18.716	25.500	25.500	35.500	35.500	35.500	35.500	35.500	35.500
Total other liabilities	58.112	3.739	2.766	8.897	11.066	18.852	22.842	29.626	29.626	39.626	39.626	39.626	39.626	39.626	39.626
Preferred stock	19.973							0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Common stock	1.392	0.002	0.002	0.002	0.002	0.002	0.002	0.155	0.308	0.461	0.614	0.767	0.920	1.073	1.226
Additional paid-in capital	171.528	255.912	255.596	257.581	257.920	259.119	266.013	266.013	266.013	266.013	266.013	266.013	266.013	266.013	266.013
Retained earnings	(252.484)	(251.012)	(257.242)	(264.877)	(270.189)	(277.529)	(284.734)	(291.086)	(297.692)	(304.298)	(311.280)	(318.286)	(325.292)	(332.298)	(339.305)
Other								0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Accumulated other comprehensive income	(0.115)	(0.116)	(0.118)	(0.119)	(0.120)	(0.121)	(0.123)	(0.123)	(0.123)	(0.123)	(0.123)	(0.123)	(0.123)	(0.123)	(0.123)
Total stockholders' equity	(59.706)	4.786	(1.762)	(7.413)	(12.387)	(18.529)	(18.842)	(25.041)	(31.494)	(37.947)	(44.776)	(51.629)	(58.482)	(65.335)	(72.189)
Total stockholders' equity and liabilities	2.593	21.215	7.640	8.480	6.737	9.397	11.538	9.055	2.602	6.149	(0.680)	(6.033)	(12.886)	(19.739)	(26.593)

Balance Sheet Drivers

	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	467%	2496%	1193%	1934%	2197%	1561%	5131%	100%	100%	100%	100%	100%	100%	100%	100%
Inventory as % of total rev	2073%	1746%	1478%	2466%	2326%	2930%	4067%	1000%	1000%	1000%	1000%	1000%	1000%	1000%	1000%
A/P as % of total rev	3746%	4226%	1636%	1547%	2337%	3138%	3933%	3000%	3000%	3000%	3000%	3000%	3000%	3000%	3000%
Accrued exp related as % of total rev	1186%	5065%	4856%	9527%	8829%	12239%	10514%	3000%	3000%	3000%	3000%	3000%	3000%	3000%	3000%
Activity Ratios															
A/R Days Sales Outstanding	79	123	66	288	230	317	81	75	75	75	75	75	75	75	75
Book & Cash Value (per share)															
Book Value per Share (diluted)	-\$5.90	\$0.43	-\$0.09	-\$0.38	-\$0.63	-\$0.94	-\$0.96	-\$1.18	-\$1.44	-\$1.70	-\$1.96	-\$2.22	-\$2.46	-\$2.69	-\$2.91
Cash per Share (diluted)	\$0.01	\$0.66	\$0.22	\$0.25	\$0.09	\$0.23	\$0.28	\$0.32	\$0.05	\$0.23	-\$0.05	-\$0.26	-\$0.45	-\$0.70	-\$0.88
Net cash per Share (diluted)	-\$5.53	\$0.66	\$0.22	\$0.01	-\$0.28	-\$0.51	-\$0.67	-\$0.87	-\$1.12	-\$1.36	-\$1.60	-\$1.79	-\$1.95	-\$2.16	-\$2.31

Source: Company reports and Ascendant Capital Markets estimates

Envoy Medical, Inc.

Cash Flow Statement (\$ mils)	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	Mar-26	Jun-26	Sep-26	Dec-26	2026
Fiscal Year End: December 31	Q1&2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Cash flow from operating activities																			
Net income	(26.499)	1.472	(4.881)	(29.908)	(6.270)	(3.947)	(5.960)	(4.618)	(20.795)	(6.352)	(6.606)	(6.606)	(6.981)	(26.546)	(7.006)	(7.006)	(7.006)	(7.006)	(28.025)
Depreciation	0.056	0.029	0.048	0.133	0.034	0.042	0.049	0.048	0.173	0.050	0.050	0.050	0.050	0.200	0.050	0.050	0.050	0.050	0.200
Amortization				0.000				1.047	1.047					0.000					0.000
Non-cash lease expense				0.000					0.000					0.000					0.000
Debt related amortization expense				0.000			0.432	0.384	0.816					0.000					0.000
Stock comp			1.575	1.575	0.123	0.142	0.144	0.153	0.562	0.153	0.153	0.153	0.153	0.612	0.153	0.153	0.153	0.153	0.612
Deferred income taxes				0.000					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Change in fair value of warrant liability	18.247	(5.042)	(1.602)	11.603	1.336	(1.045)	0.737	(0.331)	0.697					0.000					0.000
Lease	0.052	0.031	(0.211)	(0.128)	0.031	0.058	0.161	(0.137)	0.113					0.000					0.000
Inventory reserve	(0.017)	(0.105)	0.023	(0.099)	0.089	0.173	(0.262)	0.076	0.076					0.000					0.000
Accrued interest				0.000					0.000					0.000					0.000
Writedowns and impairments				0.000					0.000					0.000					0.000
Other gains/losses				0.000					0.000					0.000					0.000
Other		4.000	(4.000)	0.000					0.000					0.000					0.000
Changes in operating assets and liabilities:																			
Accounts receivable	(0.014)	(0.054)	(0.137)	(0.205)	(0.119)	0.163	(0.171)	0.159	0.032	(0.004)	0.000	0.000	0.000	(0.004)	(0.021)	0.000	0.000	0.000	(0.021)
Inventory	0.006	0.014	(0.030)	(0.010)	(0.140)	(0.300)	0.203	(0.143)	(0.380)	1.208	0.000	0.000	0.000	1.208	(0.250)	0.000	0.000	0.000	(0.250)
Prepaid expenses & other current ass	(0.165)	(0.703)	0.040	(0.828)	0.101	(0.068)	0.768	(1.396)	(0.595)	2.105	0.000	0.000	0.000	2.105	(0.025)	0.000	0.000	0.000	(0.025)
Income tax				0.000					0.000					0.000					0.000
Other assets				0.000	(0.027)	0.062	(0.194)	0.014	(0.145)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Accounts payable	1.357	1.021	(1.827)	0.551	(0.641)	0.641	0.203	(0.222)	(0.019)	(0.152)	0.000	0.000	0.000	(0.152)	0.750	0.000	0.000	0.000	0.750
Accrued expenses	0.064	0.529	(0.687)	(0.094)	(0.357)	(0.814)	1.135	(0.205)	(0.241)	(2.916)	0.000	0.000	0.000	(2.916)	0.750	0.000	0.000	0.000	0.750
Deferred revenue				0.000					0.000					0.000					0.000
Other liabilities	(0.132)	(0.093)	(0.019)	(0.244)	(0.006)	(0.015)	(0.052)	0.783	0.710	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net cash (used in) provided by opera	(7.045)	1.099	(11.708)	(17.654)	(5.846)	(4.908)	(2.807)	(4.388)	(17.949)	(5.908)	(6.403)	(6.403)	(6.778)	(25.492)	(5.599)	(6.803)	(6.803)	(6.803)	(26.009)
Cash flow from investing activities																			
Purchases of property and equipment	(0.070)	(0.062)	(0.021)	(0.153)	(0.109)	(0.248)	(1.157)	0.534	(0.980)	0.534	0.534	0.534	0.534	2.136	0.534	2.136	0.534	2.136	5.340
Purchases of short-term investments				0.000					0.000					0.000					0.000
Acquisitions				0.000					0.000					0.000					0.000
Other				0.000		(0.542)	0.542		0.000					0.000					0.000
Net cash used in investing activities	(0.070)	(0.062)	(0.021)	(0.153)	(0.109)	(0.790)	(0.615)	0.534	(0.980)	0.534	0.534	0.534	0.534	2.136	0.534	2.136	0.534	2.136	5.340
Cash flow from financing activities																			
Issuance of debt	7.000	3.000		10.000	5.000	2.500	7.500	5.000	20.000	6.784	0.000	10.000	0.000	16.784	0.000	0.000	0.000	0.000	0.000
Repayment of debt				0.000			(1.833)	(1.530)	(3.363)					0.000					0.000
Issuance of stock		12.736	(0.891)	11.845	1.683				1.683	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Proceeds from stock option exercises				0.000			0.434	1.444	1.878					0.000					0.000
Other				0.000					0.000					0.000					0.000
<u>Dividends and distributions</u>				0.000					0.000					0.000					0.000
Cash provided by (used in) financing	7.000	15.736	(0.891)	21.845	6.683	2.500	6.101	4.914	20.198	6.784	0.000	10.000	0.000	16.784	0.000	0.000	0.000	0.000	0.000
Effect of exchange rate on cash		(0.001)	(0.002)	(0.003)	(0.001)	(0.001)	(0.001)	(0.001)	(0.004)					0.000					0.000
Net increase (decrease) in cash and c	(0.115)	16.772	(12.622)	4.035	0.727	(3.199)	2.678	1.059	1.265	1.410	(5.869)	4.131	(6.244)	(6.572)	(5.065)	(4.667)	(6.269)	(4.667)	(20.669)
Beginning cash and equivalents	0.183	0.068	16.840	0.183	4.218	4.945	1.746	4.424	4.218	5.483	6.893	1.024	5.155	5.483	(1.089)	(6.154)	(10.822)	(17.091)	(1.089)
Ending cash and equivalents	0.068	16.840	4.218	4.218	4.945	1.746	4.424	5.483	5.483	6.893	1.024	5.155	(1.089)	(1.089)	(6.154)	(10.822)	(17.091)	(21.758)	(21.758)

Source: Company reports and Ascendant Capital Markets estimates

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Envoy Medical, Inc.

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Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
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Sell	1	2%	0	0%
Total	53	100%	21	40%

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