

# Heart Test Laboratories, Inc.

*Heart Test Q1 FY2024 results slightly ahead due to lower expenses. Mt. Sinai partnership massive positive. Raising PT to \$3.80.*

## COMPANY UPDATE

**Rating: BUY**

Ticker: HSCS

Price: \$0.43

Target: \$3.80  
(from \$3.70)

**Q1 FY24 better than expected on lower operating expenses:** Q1 FY24 (July) EPS came in at \$(0.13), versus our estimate of \$(0.14) and consensus estimate of \$(0.18). Total operating expenses for the quarter came in at \$1.3 million, versus our estimate of \$1.5 million and \$1.4 million in the prior year period. No forward guidance was provided.

**Adjusting estimates:** Given a slightly lower run-rate of operating expenses, we are adjusting our FY 24 EPS estimate slightly to \$(0.51), versus \$(0.52) previously and consensus of \$(0.60). Our FY25 estimate remains unchanged at \$(0.56). Our FY24 & FY25 revenue estimates of \$0.4 million and \$5.4 million are unchanged.

**Deal with Mt. Sinai to commercialize new AI cardiovascular algorithms extremely positive for HSCS.** On September 21, 2023, the company announced a landmark agreement with the Icahn School of Medicine at Mt. Sinai to commercialize AI cardiovascular algorithms. The deal gives HSCS a strong institutional partner which greatly expands the company's access to critical ECG data and extends the range of AI algorithms the company can offer to healthcare providers and patients. The deal with Mt. Sinai transforms the company from a single-algorithm diagnostic provider to a multi-algorithm provider capable of diagnosing as many as 13 conditions with its MyoVista ECG machines. In addition, the company announced it will be creating a cloud-based diagnostic platform to complement its hardware solution (the MyoVista).

**New algorithms will require FDA approval.** While the new algorithms provided by the Mt. Sinai partnership still need to be approved by the FDA, the approval process for many of them is likely to be relatively streamlined as the Mt. Sinai health record database will enable retrospective studies analyzing existing data, as opposed to prospective studies which require recruitment of new patients.

**HSCS targeting late 2023 De Novo resubmission for its signature ECG machine, the MyoVista.** As soon as the company receives marketing approval from the FDA, it will be free to market the machine. Indeed, it has begun to line up distributors and holds substantial inventory for launch. We continue to model first revenues for the MyoVista beginning in the Jan FY24 quarter.

**Large opportunity in early detection of heart disease driven by proprietary AI:** Heart Test continues to develop what could be the first ECG machine to provide early detection of heart disease, a very significant advancement for prevention of this number one killer and a large revenue opportunity for the company. The key to the company's ability to perform early diagnosis of heart diseases with an ECG machine is the clever application of machine-learning algorithms which interpret the signals from the ECG to detect anomalies. Heart Sciences has spent years developing the AI to do this, and with Mt. Sinai now has a vastly expanded IP 'moat' against potential competitors.

**Raising price target to \$3.80:** We are raising our 12-month price target to \$3.80 from \$3.70 to reflect increasing confidence in Heart Test's progress, as evidenced by one of the world's leading medical research institutions choosing HSCS as partner for AI cardiovascular diagnostics. Our target is based on a NPV analysis, representing more than 7x 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 opportunity.

### Company Description

Based in Southlake, Texas, Heart Test Laboratories, Inc. is a medical devices maker developing AI-enabled ECGs to provide early detection of heart disease.

### Stock Data

Exchange:	NasdaqCM
52-week Range:	\$0.30-3.95
Shares Outstanding (million):	10.92
Market cap (\$million):	\$4.6
EV (\$million):	\$5.0
Debt (\$million):	\$1.0
Cash (\$million):	\$0.6
Avg. Daily Trading Vol (\$ millions):	\$0.04
Float (million shares):	8.5
Short Interest (million shares):	0.04
Dividend, annual (yield):	NA

### Revenues (US\$ million)

	<u>2024E</u>	<u>2024E</u>	<u>2025E</u>	<u>2025E</u>
	<u>(Cur.)</u>	<u>(Old.)</u>	<u>(Cur.)</u>	<u>(Old.)</u>
<b>Q1 Jul</b>	0.0A		0.6E	
<b>Q2 Oct</b>	0.0E		1.0E	
<b>Q3 Jan</b>	0.1E		1.6E	
<b>Q4 Apr</b>	<u>0.3E</u>		<u>2.2E</u>	
<b>Total</b>	<b>0.4E</b>		<b>5.4E</b>	
EV/Rev	13x		0.9x	

### Earnings per Share (pro forma)

	<u>2024E</u>	<u>2024E</u>	<u>2025E</u>	<u>2025E</u>
	<u>(Cur.)</u>	<u>(Old.)</u>	<u>(Cur.)</u>	<u>(Old.)</u>
<b>Q1 Jul</b>	(0.13)A	(0.14)E	(0.15)E	
<b>Q2 Oct</b>	(0.12)E	(0.11)E	(0.14)E	
<b>Q3 Jan</b>	(0.13)E		(0.14)E	
<b>Q4 Apr</b>	<u>(0.13)E</u>		<u>(0.13)E</u>	
<b>Total</b>	<b>\$(0.51)E</b>	<b>\$(0.52)E</b>	<b>\$(0.56)E</b>	
PE	NA		NA	

### 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 17.**

## OVERVIEW

- Heart Test, Inc. recently (on September 14) reported its Q1 FY24 (ending July) results.
- EPS was \$(0.13), compared to our estimate of \$(0.14) and consensus estimate of \$(0.18).
- Operating expenses came in at \$1.3 million versus our estimate of \$1.5 million. The prior year compare was \$1.4 million.
- There was no Q4 guidance for future periods.
- We are raising our FY24 estimate to \$(0.51) from \$(0.52) and leaving our FY25 estimate unchanged at \$(0.56).

## ADDITIONAL DETAILS

- On September 21, 2023, the company announced a landmark agreement with the Icahn School of Medicine at Mt. Sinai to commercialize AI cardiovascular algorithms.
- The deal gives HSCS a strong institutional partner which can greatly expand the company's access to critical ECG data and extend the range of AI algorithms the company can offer to healthcare providers and patients.
- The deal with Mt. Sinai transforms the company from a single-algorithm diagnostic provider to a multi-algorithm provider capable of diagnosing as many as 13 conditions with its MyoVista ECG machines.
- While the new algorithms provided by the Mt. Sinai partnership still need to be approved by the FDA, the approval process for many of them is likely to be relatively streamlined as the Mt. Sinai health record database will enable retrospective studies analyzing existing data, as opposed to prospective studies which require recruitment of new patients.
- The near-term outlook for De Novo resubmission for the MyoVista in calendar 2023 is unchanged.
- We continue to model first revenues for the MyoVista beginning in the Jan FY24 quarter.

The company's balance sheet had \$0.6 million in cash and \$1 million in debt, compared with \$1.7 million in cash and \$1.1 million in debt at the end of January. On June 7, 2023, the company filed a shelf registration statement to sell up to 8 million new shares, which could net the company \$7.2 million, based on an assumed offering price of \$1.00 per share. No date has been set for potential offerings. This new equity funding is incremental to a purchase agreement with Lincoln Park Capital, under which the company may sell up to \$15 million of stock as part of an equity line of credit (ELOC). So far, the company has raised \$1 million under this agreement. Given a projected burn rate of about \$2 million per quarter and access to over \$22 million in equity financing, the company appears well-positioned to fund its operating activities for the next couple of years.

**Exhibit 1: Heart Test Laboratories, Inc. Corporate Highlights**

**HeartSciences: Investment Highlights**

- ✓ Pure Play AI ECG Company.
- ✓ AI creating a new era of opportunity for ECG – transform the ECG into an effective screening device.
- ✓ Designed to address the significant diagnostic gap in heart disease.
- ✓ Enormous addressable market; millions of ECG’s performed every week – razor/ razorblade sales model.
- ✓ >\$60 million investment in the Company.
- ✓ Compelling clinical evidence.
- ✓ FDA De Novo resubmission expected in the current year.



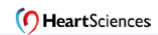
**MyoVista.**

**MyoVista® Wavelet ECG**

New Generation of AI ECG  
Technology Designed to Revolutionize  
ECG for Heart Screening

"ECG" (also known as "EKG") is the abbreviation for an electrocardiogram.

**NASDAQ: HSCS**

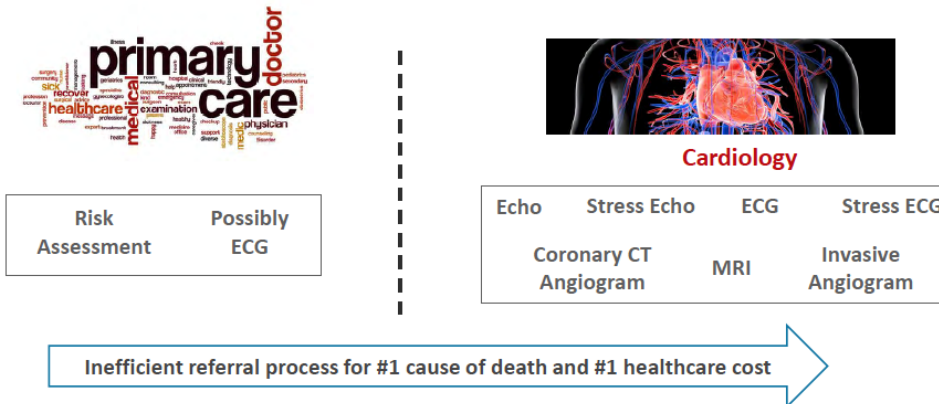


Source: Company Reports

**Exhibit 2: Lack of Early Identification of Heart Disease is a Big Problem in Cardiology**

**Significant Challenge to Identify Heart Disease in Front-Line Healthcare**

Conventional ECG - low sensitivity for 2 out of the 3 categories of heart disease (ischemia (CAD) and structural)



Source: Company Reports

**Exhibit 3: The MyoVista is Simple to Use and Incorporates Standard and Proprietary ECG Algorithms**

### MyoVista: Simple to Use

**New information on heart health plus conventional ECG information in a single test**

**MyoVista Energy Waveform**  
Provided for context. Not intended for use in clinical assessment

**MyoVista wavECG LV Relaxation Algorithm Results**  
Provided in indicator and statement form for LV relaxation abnormality

Conventional ECG Traces

Glasgow Analysis  
Interpretive analysis report of conventional trace

- ✓ Standard 12-lead ECG protocols - no change to clinical workflow or training.
- ✓ Simple easy to interpret algorithm.
- ✓ Significantly improves risk stratification for heart disease.
- ✓ All conventional resting 12-lead ECG information in the same test.

Source: Company Reports

**Exhibit 4: MyoVista Algorithm Readout**

### Prior Validation Study: n= 343

#### MyoVista Algorithm Output/ Test Result

Highly Negative

Negative

Borderline

Positive

Highly Positive

Sensitivity 94%  
Specificity 70%

Limited number of patients

Sensitivity 81%  
Specificity 92%

Borderline onwards interpreted as a positive result

Positive onwards interpreted as a positive result

Borderline patients generally sit around the threshold measures

Impaired LV relaxation thresholds in accordance with ASE/EACVI 2016 GUIDELINES AND STANDARDS.

Note: The results of the prior validation study will not be considered by the FDA in the next submission and should not be used to predict the results of our new validation study which could be materially different. Further algorithm development has been taking place since the prior submission together with age-adjustment of LV relaxation thresholds for older patients.

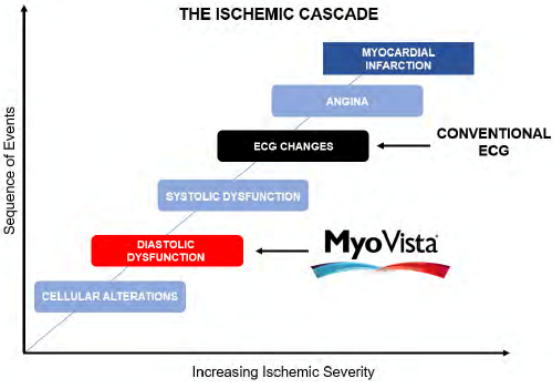
NASDAQ: HSCS

Source: Company Reports

**Exhibit 5: Diastolic Dysfunction is one of the Earliest Markers of Heart Disease**



LV Diastolic Dysfunction (LVDD) an Early Biomarker for Heart Disease

MyoVista wavECG first algorithm - Detection of impaired Left Ventricle relaxation



*“LV diastolic function [cardiac relaxation phase] is impaired by all of the common pathological processes that affect LV function or produce LV hypertrophy or fibrosis, including hypertension, diabetes mellitus, ischemia, myocarditis, toxins, and infiltrative cardiomyopathies. Thus, LV diastolic performance is a sensitive indicator of cardiovascular dysfunction.”*

Department of Health and Human Services Public Access: Diastolic Dysfunction and Prognosis 2015.


Source: Company Reports

**Exhibit 6: Heart Test Laboratories, Inc. Intellectual Property Portfolio**

Significant Valuable Intellectual Property

- ✓ 9 US granted patents covering > 100 claims
- ✓ 31 international granted patents
- ✓ Using ML to create measures of diastolic dysfunction with an ECG
- ✓ Core signal processing patents protect use of key signal processed information
- ✓ Proprietary patented electrode connector system
- ✓ Proprietary wavECG patient database
- ✓ Trademarked in multiple jurisdictions
- ✓ Considerable trade secrets and know-how gathered over years of development work

NASDAQ: HSCS



Source: Company Reports

**Exhibit 7: Heart Test Laboratories, Inc. Peer Reviewed Research**

**Peer Reviewed Research: AI Significantly Expands the Potential Clinical Use of an ECG**

**The start of a new AI era of expanded ECG capabilities**

Low Ejection Fraction

Left Ventricular Dysfunction

Diastolic Dysfunction

*"..some of the most significant advances in electrocardiography since its inception, which has historically had a limited, if any, role in the evaluation of cardiac dysfunction. In the past, our cardiovascular community was resigned to the fact that surface ECGs are poor indicators for cardiac dysfunction"*

**JACC Editorial Commentary:  
Study using MyoVista Aug 2020**

Impaired Cardiac Relaxation

Major Adverse Cardiac Event

Aortic Stenosis

Myocarditis

Hypertrophic Cardiomyopathy

NASDAQ: HSCS

Source: Company Reports

**Exhibit 8: Heart Test Laboratories, Inc. Clinical Studies**

**MyoVista Technology Clinical Studies**

<p> 2018</p> <p><b>Prediction of Abnormal Myocardial Relaxation from Signal Processed Surface ECG</b></p> <ul style="list-style-type: none"> <li>📍 Mount Sinai (New York)</li> <li>👤 188 subjects (n=188)</li> <li>📊 80% sensitivity, 84% specificity with AUC &gt; 90% in the identification of left ventricular diastolic dysfunction</li> <li>📌 Also 82% identification of significant coronary arterial disease</li> </ul>	<p> 2020</p> <p><b>Machine Learning Assessment of LV Diastolic Function based on Electrocardiographic Features</b></p> <ul style="list-style-type: none"> <li>📍 West Virginia, Mount Sinai, UCLA and Windsor Cardiac Center (Ontario)</li> <li>👤 1202 subjects (n=388)</li> <li>📊 AUC 94% for estimated e' in prediction of LV diastolic dysfunction based on multiple age- and sex-adjusted reference limits</li> <li>📊 AUC 80%, 84% and 81% for determining abnormal myocardial relaxation, LVDD and systolic dysfunction</li> </ul>	<p> 2021</p> <p><b>Machine Learning of ECG Waveforms to Improve Selection for Testing for Asymptomatic Left Ventricular Dysfunction</b></p> <ul style="list-style-type: none"> <li>📍 Baker Heart Institute, Australia</li> <li>👤 398 subjects (n=111)</li> <li>📊 85% sensitivity, 72% specificity with AUC 83% in the identification of left ventricular dysfunction</li> <li>📌 Outperformed conventional methods of screening for LVD</li> </ul>
<p>JACC – Journal of the American College of Cardiology</p> <p>ESC – European Society of Cardiology European Heart Journal</p> <p>JPCRR – Journal of Patient Centered Research and Reviews</p> <p>NASDAQ: HSCS</p>	<p> 2020</p> <p><b>Prediction of coronary artery calcium scoring from surface electrocardiogram in atherosclerotic cardiovascular disease: a pilot study</b></p> <p>West Virginia, Mount Sinai, UCLA and Windsor Cardiac Center</p> <ul style="list-style-type: none"> <li>👤 534 subjects (n=106)</li> <li>📊 AUC 84% for prediction of CAC=0 score; AUC 87% for prediction of CAC ≥400 score</li> <li>📌 Predictive accuracy for MACE events in higher risk patients</li> </ul>	<p> 2022</p> <p><b>Surface ECG-based Machine Learning Model For Predicting Patient Subgroup at a High Risk for Major Adverse Cardiac Events</b></p> <p>West Virginia, Mount Sinai, UCLA and Windsor Cardiac Center</p> <ul style="list-style-type: none"> <li>👤 1245 subjects (n=518)</li> <li>📊 84% sensitivity, 72% specificity with AUC 84% in prediction of MACE events over a 38-month period</li> <li>📌 Comparable performance to Echo based MACE predictive model. 97% and 79% survival for low and high-risk groups respectively</li> </ul>

Source: Company Reports

## Exhibit 9: Heart Test Laboratories, Inc. Key Researchers and Institutions

### Clinical Study Institutions and Key Researchers



Rutgers - Robert Wood Johnson MS, New Brunswick



Harvard - Beth Israel Deaconess, Boston



Scripps Clinic and Research Foundation Health, San Diego



UT Southwestern, Clinical Heart and Vascular Center, Dallas



The Baker Heart and Diabetes Institute, Melbourne, Australia



Mount Sinai- Icahn School of Medicine, New York



West Virginia University - Heart and Vascular Institute, Morgantown WV



UCLA Medical Center – Harbor, Los Angeles



**Thomas Marwick** - Director and Chief Executive, Head of Imaging Research at The Baker Heart and Diabetes Institute

Former Head of Cardiovascular Imaging at Cleveland Clinic.



**Partho Sengupta** - Professor of Cardiology and Chief of Cardiology at Rutgers Robert Wood Johnson Medical School (RWJMS), and Chief of Cardiology at Robert Wood Johnson University Hospital (RWJUH)



Source: Company Reports

## Exhibit 10: MyoVista FDA Regulatory Status

### MyoVista wavECG: FDA Regulatory Status



#### ➤ MyoVista a new type of ECG:

- FDA De Novo regulatory pathway.
- Class II non-significant risk device.

#### ➤ Prior De Novo submission during 2020:

- Several rounds of interaction with FDA – provides clarity on FDA requirements.
- Modifications have been made to MyoVista.

#### ➤ Resubmission:

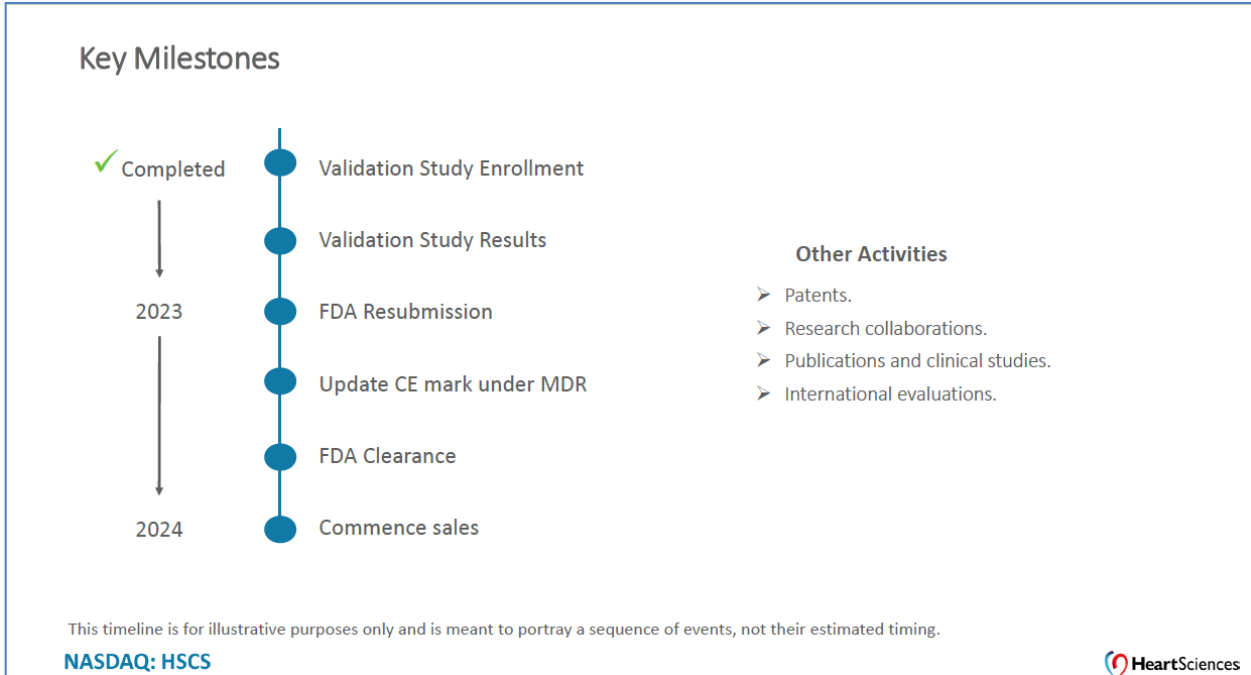
- Expected in current year.
- Pivotal study patient recruitment completed (>600 patients at 5 U.S. institutions).
- Core-lab work and device performance testing ongoing.

NASDAQ: HSCS



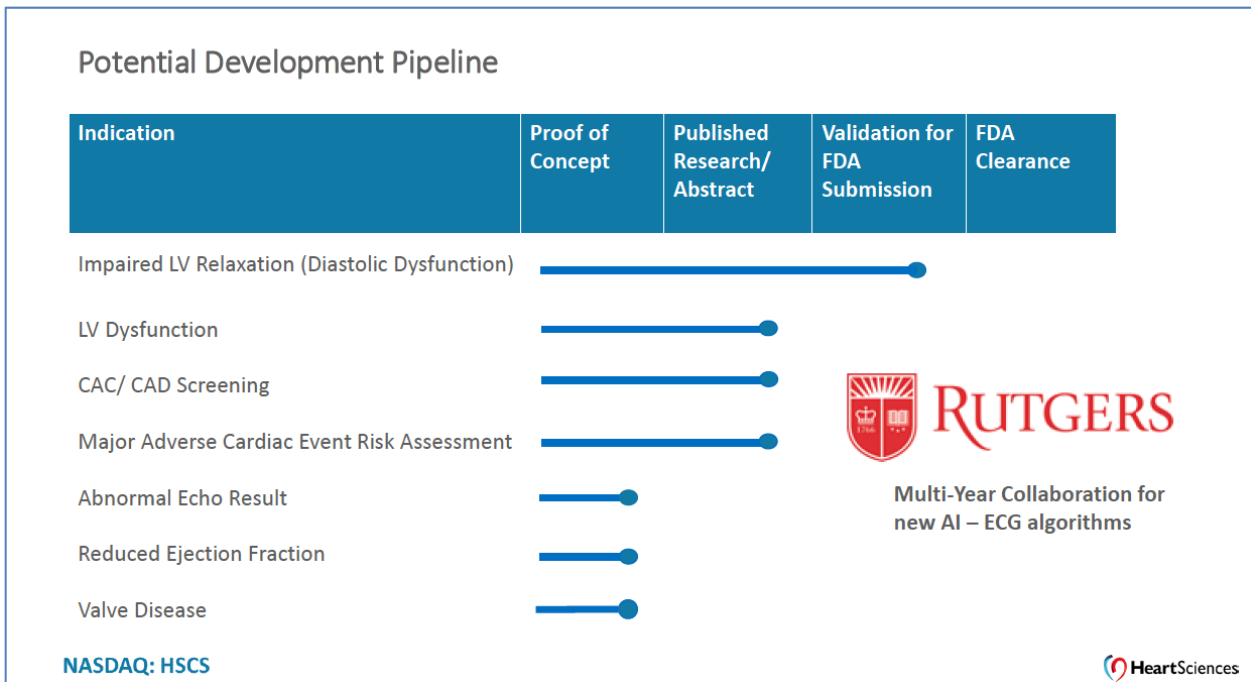
Source: Company Reports

**Exhibit 11: Heart Test Laboratories, Inc. Regulatory Milestones**



Source: Company Reports

**Exhibit 12: Heart Test Laboratories, Inc. Development Pipeline**



Source: Company Reports



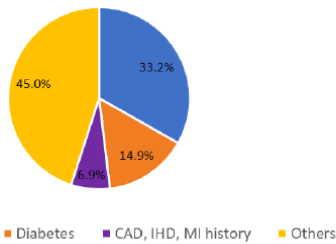
**Exhibit 13: ECG Market Size**

**Scale of Market Opportunity is Enormous**

**More than 100 million ECG tests and 12 million Echos just in the USA**

**1 Billion Ambulatory Care Office Visits in USA  
Significant Proportion with Cardiac Risk Factors**

Chronic Conditions Present at Office Visits



Source: National Ambulatory Care Annual Survey 2019

**MyoVista positioned as the bridge between ECG and Echo for point-of-care use**

- ECG testing ubiquitous and growing despite general guidance against its use for screening.
- Echo testing on the increase in USA and worldwide – partly due to inherent weakness of ECG. Increasing system costs worldwide and waiting lists internationally.
- High incidence of patients with risk factors for heart disease – ideal candidates for a MyoVista test.

NASDAQ: HSCS



Source: Company Reports

**Exhibit 14: ECG Market Opportunity**

**Big Market, Recurring Revenue, Fits Existing Care Pathways**

**LARGE GLOBAL OPPORTUNITY**

ECG most common cardiac test & worldwide application  
Conventional ECG \$5+ billion market (Cap. Equipment only)  
Est. 500 million - 1 billion ECG tests per year (Supplies revenue)

**RECURRING REVENUE**

Razor/razorblade business model  
Device revenue plus supplies revenue from every test

**DEVELOPMENT OPPORTUNITIES**

Other algorithms/ indications for use  
Alternative hardware platforms

**LOW-COST & EASY TO USE**

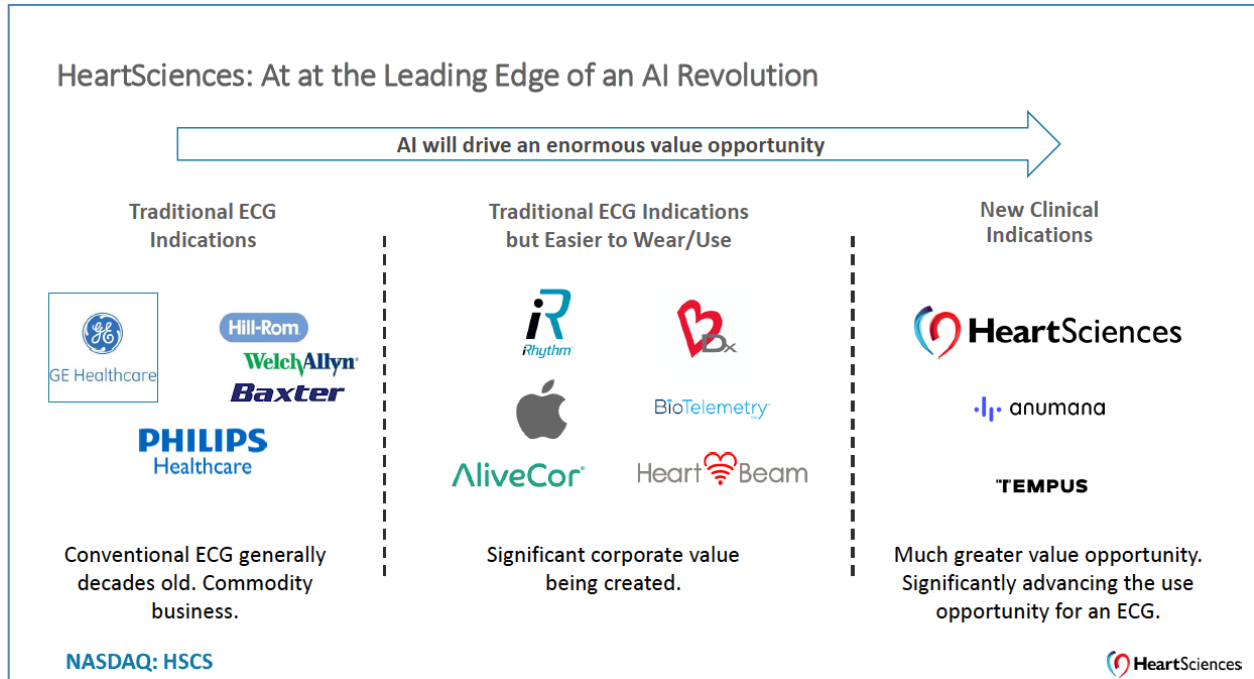
AI algorithm - easy to interpret information  
Provides all conventional ECG information in a single test  
Limited training required – uses existing 12-lead resting ECG protocols

NASDAQ: HSCS



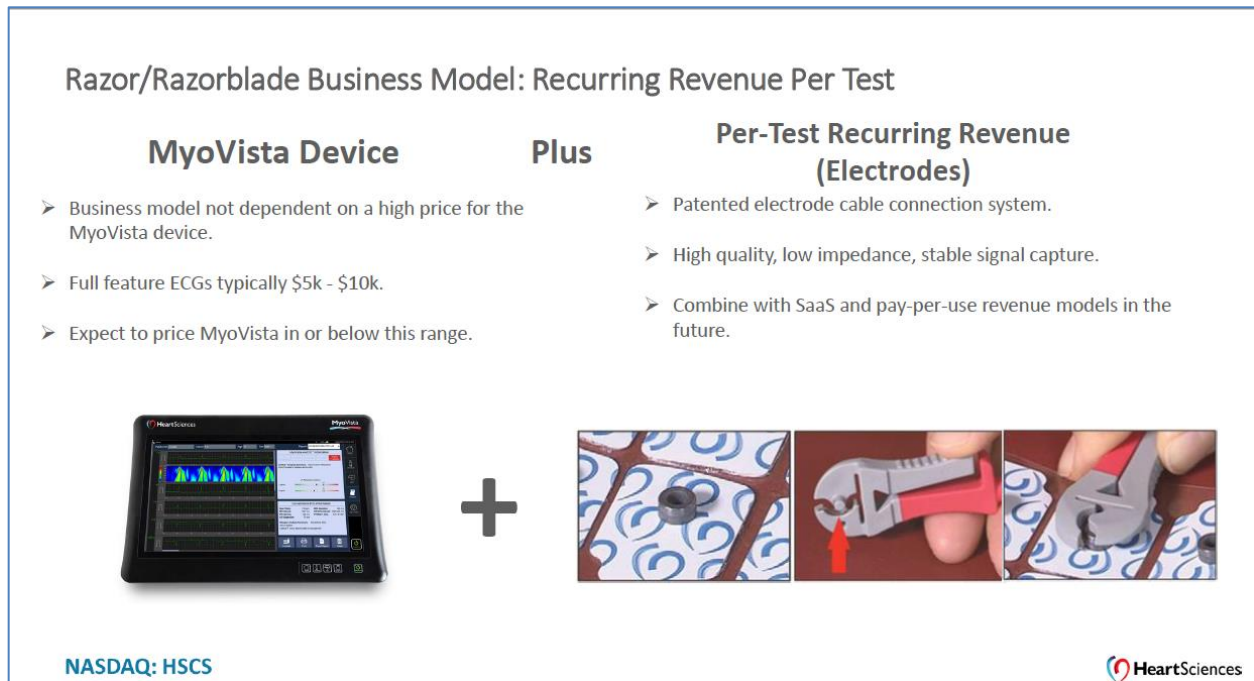
Source: Company Reports

**Exhibit 15: Heart Test Laboratories, Inc. Competitive Landscape**



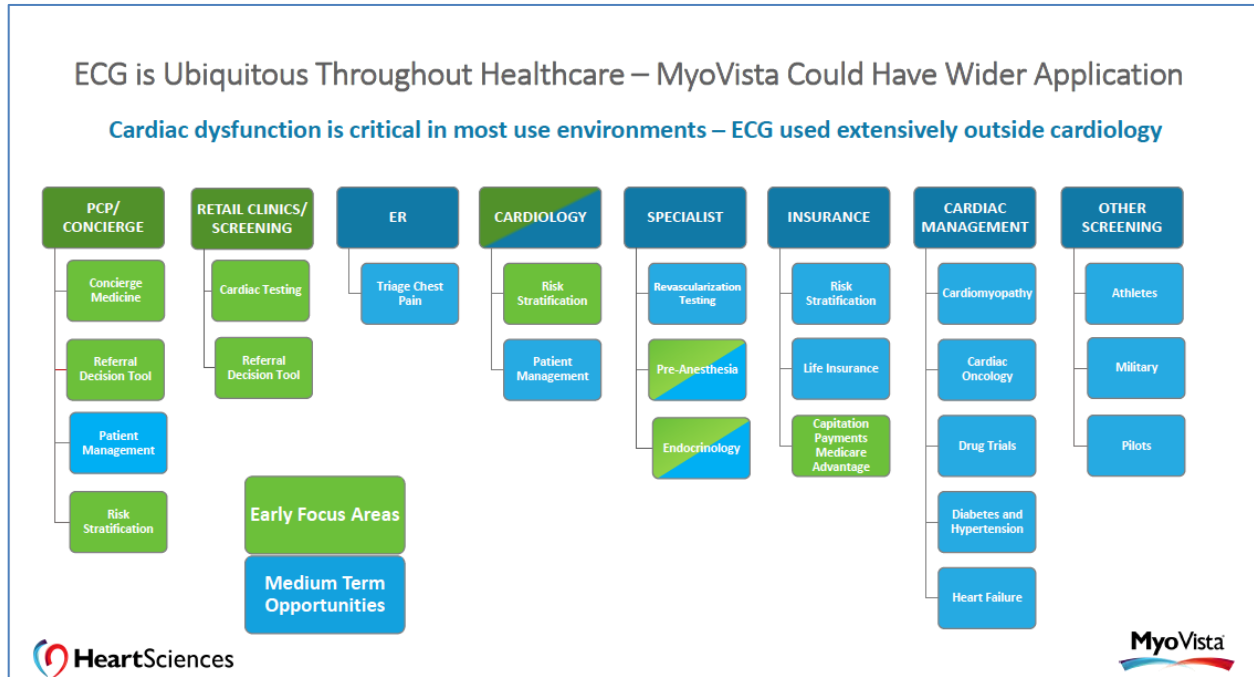
Source: Company Reports

**Exhibit 16: Heart Test Laboratories, Inc. Business Model**



Source: Company Reports

**Exhibit 17: ECGs Applications Extend Beyond Cardiology**



Source: Company Reports

**Exhibit 18: Heart Test Laboratories, Inc. Sales and Marketing Channels**

**Early Focus on Front-Line Referral Testing**

- Direct Sales Force in USA
- Distributors Internationally
- CPT codes already in place

Focus	Rep Location
Cardiology	Regional
PCP/ Concierge	Regional
Retail Clinics/ Screening	HQ

**209,000 PCPs in the USA**

**Cardiology**

- Credibility and research.
- Focus - centers of excellence.

**PCP/ Concierge Medicine**

- High concentration in major states.
- Initial focus on middle to upper income regions – patient pay opportunity.
- Physician owned facilities – procurement autonomy.

**Retail Clinics and Screening**



**HeartSciences** **MyoVista**

Source: Company Reports

**Exhibit 19: Heart Test Laboratories, Inc. Senior Management Team**

## Senior Management Team

<div style="background-color: #0070C0; color: white; padding: 5px; text-align: center; font-weight: bold;">Andrew Simpson <i>Chairman and CEO</i></div> <ul style="list-style-type: none"> <li>➢ Peel Group CEO – c. \$8 billion of assets.</li> <li>➢ Speedy Hire Plc Main Board Director and Division MD – Company joined FTSE 250 during that time.</li> <li>➢ Rothschild - Investment Banker.</li> <li>➢ Price Waterhouse - Chartered Accountant.</li> </ul>	<div style="background-color: #0070C0; color: white; padding: 5px; text-align: center; font-weight: bold;">Mark Hilz <i>COO</i></div> <ul style="list-style-type: none"> <li>➢ INX CEO/Founder - Technology consulting, revenue \$400m NASDAQ listed with multiple public offerings. Sold in 2011.</li> <li>➢ PCSS CEO/Founder – Tech logistics outsourcing, revenue \$160m; NASDAQ listed, multiple public offerings.</li> <li>➢ HCP CEO/Founder - Technology product distributor \$10m in revenue. Sold - 1988.</li> </ul>	<div style="background-color: #0070C0; color: white; padding: 5px; text-align: center; font-weight: bold;">Danielle Watson <i>CFO</i></div> <ul style="list-style-type: none"> <li>➢ Over 15 years of accounting in both the public accounting and private sector.</li> <li>➢ Extensive public accounting experience in preparation and audit of with public company filings including 10Ks, 10-Qs, 8-Ks, and other registration statements.</li> <li>➢ Certified Public Accountant.</li> <li>➢ Master of Science in Accounting from University of Texas at Arlington.</li> <li>➢ Bachelors Degree in Accounting from Texas Christian University.</li> </ul>	<div style="background-color: #0070C0; color: white; padding: 5px; text-align: center; font-weight: bold;">Aaron Peterson <i>VP R&amp;D</i></div> <ul style="list-style-type: none"> <li>➢ 25 years of Engineering and product development in the areas of Cardiac Rhythm Management, Neurostimulation and electrocardiography-based devices.</li> <li>➢ St Jude Medical - Director of Systems Engineering.</li> <li>➢ Boston Scientific - Manager R&amp;D.</li> <li>➢ Master's Degree in Computer Science from Utah State University.</li> </ul>	<div style="background-color: #0070C0; color: white; padding: 5px; text-align: center; font-weight: bold;">Carol Krieger <i>VP Clinical &amp; Regulatory</i></div> <ul style="list-style-type: none"> <li>➢ 30 years of clinical and regulatory experience including over 100 FDA submissions.</li> <li>➢ Becton Dickenson - Director of Clinical QA and Compliance.</li> <li>➢ Bio Connect VP of Clinical Ops</li> <li>➢ Alfa Wasserman - VP Quality and Regulatory.</li> <li>➢ MS Jurisprudence Seton Hall University.</li> <li>➢ MBA, Montclair State University.</li> <li>➢ BS Degree Rutgers University.</li> </ul>
--	--	--	---	--

Source: Company Reports

**Exhibit 20: HSCS Consensus Expectations**

	Revenue (\$ million)		EPS		
	FY2024E	FY2025E	FY2024E	FY2025E	
Q1 Jul	\$0.0A	\$0.5E	Q1 Jul	\$(0.13)A	\$(0.31)E
Q2 Oct	\$0.0E	\$1.1E	Q2 Oct	\$(0.13)E	\$(0.31)E
Q3 Jan	\$0.1E	\$2.0E	Q3 Jan	\$(0.27)E	\$(0.35)E
Q4 Apr	\$0.3E	\$3.0E	Q4 Apr	\$(0.30)E	\$(0.35)E
<b>Total</b>	<b>\$0.4E</b>	<b>\$6.6E</b>	<b>Total</b>	<b>\$(0.60)E</b>	<b>\$(0.80)E</b>

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

Source: Company reports, CapitalIQ, Ascendant Capital Markets estimates

**Exhibit 21: Heart Test Laboratories, Inc. Daily Stock Price Chart Since IPO**



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

## FINANCIAL MODEL

### Heart Test Laboratories, Inc.

Income Statement (\$ mils except EPS) Fiscal Year End: April 30	2021 FY-A	2022 FY-A	Jul-22 Q1A	Oct-22 Q2A	Jan-23 Q3A	Apr-23 Q4A	2023 FY-A	Jul-23 Q1A	Oct-23 Q2E	Jan-24 Q3E	Apr-24 Q4E	2024 FY-E	Jul-24 Q1E	Oct-24 Q2E	Jan-25 Q3E	Apr-25 Q4E	2025 FY-E
<b>Total revenue</b>	0.0	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.1	0.3	0.4	0.6	1.0	1.6	2.2	5.4
Total cost of goods sold	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	0.5	0.7	1.0	2.4
<b>Gross profit (loss)</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.2	0.3	0.5	0.9	1.2	3.0
<b>Operating expenses</b>																	
Research and development	1.7	3.0	0.4	0.8	0.6	0.5	2.5	0.6	0.6	0.8	0.8	2.7	1.2	1.2	1.3	1.3	5.0
Selling, general and administrative	0.9	1.7	1.0	0.9	0.7	1.1	3.7	0.8	1.2	1.3	1.4	4.7	1.5	1.5	1.7	1.9	6.6
Other	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	0.0
Total operating expenses	2.6	4.7	1.4	1.8	1.3	1.6	6.1	1.3	1.8	2.1	2.2	7.4	2.7	2.7	3.0	3.2	11.6
<b>Loss from operations</b>	(2.6)	(4.7)	(1.4)	(1.8)	(1.3)	(1.6)	(6.1)	(1.3)	(1.8)	(2.1)	(2.0)	(7.2)	(2.4)	(2.2)	(2.1)	(2.0)	(8.6)
<b>Other income (expense)</b>																	
Gain on Extinguishments of Debt	0.3	0.3	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
Gain/loss on Disposal of Property and	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	0.0
Gain on Settlement of Payables	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	0.0
Gain on Disposals of Property and Equ	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	0.0
Interest income (expense)	(0.1)	(0.4)	(0.1)	(0.0)	(0.0)	(0.0)	(0.2)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other income (expense)	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	0.0
Income before taxes	(2.5)	(4.8)	(1.6)	(1.8)	(1.3)	(1.6)	(6.4)	(1.4)	(1.8)	(2.1)	(2.0)	(7.2)	(2.4)	(2.2)	(2.1)	(2.0)	(8.6)
Taxes	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	0.0
<b>Net loss</b>	(2.5)	(4.8)	(1.6)	(1.8)	(1.3)	(1.6)	(6.4)	(1.4)	(1.8)	(2.1)	(2.0)	(7.2)	(2.4)	(2.2)	(2.1)	(2.0)	(8.6)
<b>Nonrecurring/noncash adjustments</b>	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	0.0
Net income (pro forma)	(2.5)	(4.8)	(1.6)	(1.8)	(1.3)	(1.6)	(6.4)	(1.4)	(1.8)	(2.1)	(2.0)	(7.2)	(2.4)	(2.2)	(2.1)	(2.0)	(8.6)
EBITDA	(2.5)	(4.7)	(1.4)	(1.8)	(1.3)	(1.6)	(6.1)	(1.3)	(1.8)	(2.0)	(2.0)	(7.2)	(2.4)	(2.2)	(2.1)	(2.0)	(8.6)
Weighted average common shares out	3.3	3.3	5.6	8.2	8.2	9.7	8.0	10.3	15.3	15.3	15.3	14.1	15.3	15.3	15.3	15.3	15.3
Shares, Diluted	3.3	3.3	5.6	8.2	8.2	9.7	8.0	10.3	15.3	15.3	15.3	14.1	15.3	15.3	15.3	15.3	15.3
EPS Basic	\$ (0.74)	\$ (1.45)	\$ (0.28)	\$ (0.22)	\$ (0.16)	\$ (0.17)	\$ (0.80)	\$ (0.13)	\$ (0.12)	\$ (0.13)	\$ (0.13)	\$ (0.51)	\$ (0.15)	\$ (0.14)	\$ (0.14)	\$ (0.13)	\$ (0.56)
EPS Diluted	\$ (0.74)	\$ (1.45)	\$ (0.28)	\$ (0.22)	\$ (0.16)	\$ (0.17)	\$ (0.80)	\$ (0.13)	\$ (0.12)	\$ (0.13)	\$ (0.13)	\$ (0.51)	\$ (0.15)	\$ (0.14)	\$ (0.14)	\$ (0.13)	\$ (0.56)
<b>Margins</b>																	
Gross margin	58%	45%	NM	NM	NM	NM	NM	50%	50%	50%	52%	52%	54%	54%	56%	56%	55%
Research and development	6673%	20883%	NM	NM	NM	NM	NM	NM	NM	NM	NM	683%	200%	120%	81%	59%	93%
Selling, general and administrative	3416%	11928%	NM	NM	NM	NM	NM	NM	NM	NM	NM	1166%	250%	150%	106%	86%	122%
Operating margin	-10044%	-32766%	NM	NM	NM	NM	NM	NM	NM	NM	NM	-1798%	-396%	-216%	-132%	-89%	-159%
Tax rate, GAAP	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Net margin	-9577%	-33593%	NM	NM	NM	NM	NM	NM	NM	NM	NM	-1798%	-396%	-216%	-132%	-89%	-159%
<b>Y/Y % change</b>																	
Revenue	-60%	-44%	NM	NM	NM	NM	NM	-100%	NM	NM	NM	7667%	NM	NM	NM	NM	1250%
COGS	-77%	-26%	NM	NM	NM	NM	NM	-100%	NM	NM	NM	6838%	NM	NM	NM	NM	1141%
Gross Profit	-16%	-57%	NM	NM	NM	NM	NM	-100%	NM	NM	NM	8651%	NM	NM	NM	NM	1352%
Research and development	-16%	76%	8%	56%	-8%	-61%	-18%	30%	-33%	24%	50%	11%	10%	10%	10%	10%	83%
Selling, general and administrative	-51%	96%	262%	125%	65%	70%	113%	-23%	30%	95%	32%	28%	8%	8%	8%	8%	41%
Total operating expenses	-33%	82%	112%	85%	19%	-19%	30%	-7%	-1%	60%	38%	21%	103%	53%	43%	45%	57%
Operating Income	-33%	83%	112%	85%	19%	-19%	30%	-7%	-1%	57%	28%	18%	79%	22%	3%	-4%	20%
Net income	-35%	97%	214%	75%	8%	-20%	32%	-13%	-2%	53%	25%	13%	74%	22%	3%	-4%	20%
EPS	-36%	97%	85%	-29%	-56%	-73%	-45%	-53%	-48%	-18%	-20%	-36%	17%	22%	3%	-4%	10%

Source: Company reports, Ascendant Capital Markets estimates

**Heart Test Laboratories, Inc.**

Balance Sheet (\$ mils)	Apr-21	Apr-22	Jul-22	Oct-22	Jan-23	Apr-23	Jul-23	Oct-23	Jan-24	Apr-24	Jul-24	Oct-24	Jan-25	Apr-25
Fiscal Year End: April 30	Q4A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Current assets</b>														
Cash	0.7	0.9	4.3	3.1	1.9	1.7	0.6	3.4	1.3	(0.7)	(3.0)	(5.1)	(7.1)	(9.0)
Accounts receivable, net	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
Inventories, net	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Prepaid expenses and other assets	0.1	0.0	0.4	0.3	0.2	0.1	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Deferred offering Costs	0.0	0.2	0.0	0.0	0.0	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Other Current Assets	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
<b>Total current assets</b>	<b>1.6</b>	<b>1.9</b>	<b>5.4</b>	<b>4.1</b>	<b>2.9</b>	<b>2.7</b>	<b>2.0</b>	<b>4.8</b>	<b>2.8</b>	<b>0.8</b>	<b>(1.5)</b>	<b>(3.6)</b>	<b>(5.7)</b>	<b>(7.5)</b>
Operating lease right-of-use asset, net	0.2	0.1	0.1	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Property and equipment, net	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total assets</b>	<b>1.9</b>	<b>2.1</b>	<b>5.6</b>	<b>4.8</b>	<b>3.5</b>	<b>3.3</b>	<b>2.6</b>	<b>5.4</b>	<b>3.4</b>	<b>1.3</b>	<b>(1.0)</b>	<b>(3.1)</b>	<b>(5.1)</b>	<b>(7.0)</b>
<b>Liabilities and Stockholders' Equity</b>														
<b>Current liabilities</b>														
Accounts payable	0.3	0.7	0.5	0.8	1.0	0.6	0.5	0.0	0.0	0.0	0.1	0.2	0.2	0.3
Accrued expenses	0.3	1.1	0.5	0.9	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
PPP Loan Payable	0.3	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
Current Portion of Notes Payable	0.1	1.6	0.1	1.1	0.1	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Lease liability - current	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other Current Liabilities	0.0	0.0	0.4	0.3	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
<b>Total current liabilities</b>	<b>1.1</b>	<b>3.5</b>	<b>1.5</b>	<b>3.1</b>	<b>2.0</b>	<b>1.8</b>	<b>1.9</b>	<b>1.4</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.6</b>	<b>1.7</b>	<b>1.8</b>
Accrued Expenses	0.1	0.2	0.1	0.0	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Lease liability - long-term	0.1	0.0	0.0	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Notes Payable	2.5	4.4	1.0	0.0	1.0	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Preferred Stock Convertible	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
<b>Total liabilities</b>	<b>3.8</b>	<b>8.1</b>	<b>2.7</b>	<b>3.7</b>	<b>3.7</b>	<b>3.1</b>	<b>3.1</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>	<b>2.8</b>	<b>2.8</b>	<b>2.9</b>	<b>3.0</b>
<b>Stockholders' Equity</b>														
Convertible Preferred Stock					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	0.0	0.0	0.0	0.0
Additional paid-in capital	47.7	48.3	58.9	58.9	58.9	61.0	61.6	66.6	66.6	66.6	66.6	66.6	66.6	66.6
Accumulated deficit	(49.6)	(54.4)	(56.0)	(57.8)	(59.1)	(60.8)	(62.1)	(63.9)	(65.9)	(68.0)	(70.4)	(72.5)	(74.6)	(76.6)
<b>Total stockholders' equity</b>	<b>(1.9)</b>	<b>(6.1)</b>	<b>2.9</b>	<b>1.1</b>	<b>(0.3)</b>	<b>0.2</b>	<b>(0.5)</b>	<b>2.7</b>	<b>0.7</b>	<b>(1.4)</b>	<b>(3.8)</b>	<b>(5.9)</b>	<b>(8.0)</b>	<b>(10.0)</b>
<b>Total liabilities and stockholders' equity</b>	<b>1.9</b>	<b>2.1</b>	<b>5.6</b>	<b>4.8</b>	<b>3.5</b>	<b>3.3</b>	<b>2.6</b>	<b>5.4</b>	<b>3.4</b>	<b>1.3</b>	<b>(1.0)</b>	<b>(3.1)</b>	<b>(5.1)</b>	<b>(7.0)</b>

	Apr-21	Apr-22	Jul-22	Oct-22	Jan-23	Apr-23	Jul-23	Oct-23	Jan-24	Apr-24	Jul-24	Oct-24	Jan-25	Apr-25
	Q4A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Balance Sheet Drivers</b>														
Inventory Days	10,862		NM	NM	NM	NM	NM	50	50	30	30	30	30	30
Accounts Payable (Days)	4,858	NM	NM	NM	NM	NM	NM	50	50	30	30	30	30	30
<b>Book &amp; Cash Value (per share)</b>														
Book Value per Share (diluted)	(0.58)	(1.82)	0.51	0.13	(0.03)	0.02	(0.05)	0.18	0.04	(0.09)	(0.24)	(0.39)	(0.52)	(0.65)
Cash per Share (diluted)	0.22	0.35	0.76	0.37	0.23	0.19	0.08	0.24	0.11	(0.03)	(0.18)	(0.31)	(0.45)	(0.57)
Net cash per Share (diluted)	(0.54)	(0.99)	0.58	0.37	0.11	0.14	0.03	0.21	0.07	(0.06)	(0.18)	(0.31)	(0.45)	(0.57)

Source: Company reports, Ascendant Capital Markets estimates

**Heart Test Laboratories, Inc.**

Cash Flow Statement (\$ mils)	2021	2022	Jul-22	Oct-22	Jan-23	Apr-23	2023	Jul-23	Oct-23	Jan-24	Apr-24	2024	Jul-24	Oct-24	Jan-25	Apr-25	2025
Fiscal Year End: April 30	FY-A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
<b>Cash flow from operating activities</b>																	
<b>Net loss</b>	(2.5)	(4.8)	(1.6)	(1.8)	(1.3)	(1.6)	(6.4)	(1.4)	(1.8)	(2.1)	(2.0)	(7.2)	(2.4)	(2.2)	(2.1)	(2.0)	(8.6)
<b>Adjustments:</b>																	
Depreciation and Amortization	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	0.0
Amortization of Debt Discount and Deferred Financing Costs	0.0	0.2	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
Gain/loss on Disposal of Property and Equipment	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	0.0
Stock based Compensation	0.0	0.1	0.1	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Gain on Extinguishment of Debt	(0.3)	(0.3)	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
Other Assets	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	0.0
Gain on Settlement of Payables	0.0	0.0	(0.1)	0.0	0.0	(0.0)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Warrants Issued to non-employees	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Warrants Issued for Note Extension	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	0.0
Stock Issued for Note Facility Fee	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	0.0
WC changes																	
Accounts Receivable	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
Inventory	0.1	0.1	(0.0)	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
Accounts Payable	(0.0)	0.4	(0.2)	0.3	0.2	(0.4)	0.0	(0.2)	(0.5)	0.0	0.0	(0.6)	0.04	0.06	0.08	0.09	0.3
Accrued Liabilities	0.1	0.9	(0.5)	0.2	(0.0)	(0.0)	(0.3)	0.0	0.0	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
Deferred offering Costs	0.0	(0.2)	0.2	0.0	0.0	(0.2)	0.1	(0.1)	0.0	0.0	0.0	(0.108)	0.0	0.0	0.0	0.0	0.0
Prepays and Other Current Assets	0.0	0.1	0.0	0.1	0.1	0.1	0.4	0.1	0.0	0.0	0.0	0.1	0.00	0.0	0.0	0.0	0.0
Other Current Liabilities	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	0.0
<b>Net cash used in operating activities</b>	(2.5)	(3.6)	(1.8)	(1.1)	(1.0)	(1.9)	(5.8)	(1.4)	(2.2)	(2.0)	(2.0)	(7.6)	(2.3)	(2.1)	(2.0)	(1.9)	(8.3)
<b>Investing Activities</b>																	
Purchase of Property and Equipment	(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	0.0
Disposition of Property and Equipment	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	0.0
<b>Net cash used in investing activities</b>	(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	0.0
<b>Financing Activities</b>																	
Proceeds from Convertible Promissory Notes	1.5	4.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
Proceeds from Issuance of Common Stock, Net of Issuance Costs	0.0	0.0	5.2	0.0	0.0	0.0	5.2	0.0	5.0	0.0	0.0	5.0	0.00	0.0	0.0	0.0	0.0
Issuance of warrants in IPO	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	0.0
Issuance of Common Stock for bridge warrants	0.0	0.0	0.0	0.0	0.0	1.1	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Issuance of Common Stock under equity line, net of issuance costs	0.0	0.0	0.0	0.0	0.0	0.4	0.4	0.4	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0
Issuance of pre-funded warrants for bridge warrants	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of Shareholder's Note	0.0	(0.5)	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
Proceeds from Shareholders Notes	0.7	0.5	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
Proceeds from Ppp Loan	0.3	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
Repayment of Financing Leases	0.0	0.0	(0.0)	(0.1)	(0.1)	(0.1)	(0.4)	(0.1)	0.0	0.0	0.0	(0.058)	0.0	0.0	0.0	0.0	0.0
Proceeds from Issuance of Series C Preferred Convertible Preferred Stock	0.2	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
Deferred Financing Costs	0.0	(0.4)	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
<b>Net cash provided by financing activities</b>	2.7	3.8	5.2	(0.1)	(0.1)	1.6	6.5	0.3	5.0	0.0	0.0	5.3	0.0	0.0	0.0	0.0	0.0
<b>Net cash increase (decrease)</b>	0.2	0.2	3.4	(1.2)	(1.1)	(0.3)	0.7	(1.1)	2.8	(2.0)	(2.0)	(2.3)	(2.3)	(2.1)	(2.0)	(1.9)	(8.3)
Cash balance at beginning of period	0.5	0.7	0.9	4.3	3.1	2.0	0.9	1.7	0.6	3.4	1.3	1.7	(0.6)	(3.0)	(5.1)	(7.1)	(0.6)
<b>Cash balance at end of period</b>	<b>0.7</b>	<b>0.9</b>	<b>4.3</b>	<b>3.1</b>	<b>2.0</b>	<b>1.7</b>	<b>1.7</b>	<b>0.6</b>	<b>3.4</b>	<b>1.3</b>	<b>(0.7)</b>	<b>(0.6)</b>	<b>(3.0)</b>	<b>(5.1)</b>	<b>(7.1)</b>	<b>(9.0)</b>	<b>(9.0)</b>

Source: Company reports, Ascendant Capital Markets estimates



## **ANALYST CERTIFICATION**

Each analyst hereby certifies that the views expressed in this report reflect the analyst's personal views about the subject securities or issuers. Each analyst also certifies that no part of the analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report. The analyst who prepared this report is compensated based upon the overall profitability of Ascendant Capital Markets, LLC, which may, from time to time, include the provision of investment banking, financial advisory and consulting services. Compensation for research is based on effectiveness in generating new ideas for clients, performance of recommendations, accuracy of earnings estimates, and service to clients.

## **Heart Test Laboratories, Inc.**

- Ascendant Capital Markets, LLC has not received compensation for advisory or investment banking services from the company in the past 12 months.

## **IMPORTANT DISCLOSURES**

This report has been distributed by Ascendant Capital Markets, LLC and is for the sole use of our clients. This report is based on current public information that we consider reliable, but we do not represent it is accurate or complete, and it should not be relied on as such. This report contains information from various sources, including United States government publications, The Wall Street Journal and other periodicals, Yahoo! Finance and other sources, and is for informational purposes only and is not a recommendation to trade in the securities of the companies mentioned within the report. We seek to update our research and recommendations as appropriate, but the large majority of reports are published at irregular intervals as we consider appropriate and, in some cases, as constrained by industry regulations.

We may have a business relationship with companies covered in this report. Ascendant Capital Markets, LLC may make a market in the securities of the subject company. We and our affiliates, officers, directors, and employees will from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives (including options and warrants) thereof of covered companies referred to in this report. This report is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any information in this report is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. The price and value of the investments referred to in this report may fluctuate.

Following are some general risks that can adversely impact future operational and financial performance and share price valuation: (1) industry fundamentals with respect to legislation, mandates, incentives, customer demand, or product pricing; (2) issues relating to competing companies or products; (3) unforeseen developments with respect to management, financial condition or accounting policies or practices; or (4) external factors that affect the interest rates, currency, the economy or major segments of the economy. Past performance is not a guide to future performance, future returns are not guaranteed, and loss of original capital may occur. Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors. Our report is disseminated primarily electronically, and, in some cases, in printed form. The information contained in this report is not incorporated into the contents of our website and should be read independently thereof. Copyright 2019 Ascendant Capital Markets, LLC. No part of this material may be copied, photocopied or duplicated by any means or redistributed without the prior written consent of Ascendant Capital Markets, LLC.

## **Risks & Considerations**

Risks to attainment of our share price target include balance sheet/liquidity risks, failure of product candidates to demonstrate safety and efficacy in clinical trials, failure to gain regulatory approvals, ability to commercialize product, failure to obtain suitable reimbursement, competition, changing macroeconomic factors, investor sentiment for investing in healthcare stocks, and changes in consumer or government priorities for healthcare.

## **Ascendant Capital Markets, LLC Rating System**

**BUY:** We expect the stock to provide a total return of 15% or more within a 12-month period.

**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.

### Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of July 14, 2023)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	51	98%	16	31%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
<b>Total</b>	<b>52</b>	<b>100%</b>	<b>16</b>	<b>31%</b>

### Other Important Disclosures

Our analysts use various valuation methodologies including discounted cash flow, price/earnings (P/E), enterprise value/EBITDAS, and P/E to growth rate, among others. Risks to our price targets include failure to achieve financial results, product risk, regulatory risk, general market conditions, and the risk of a change in economic conditions.

### Dissemination of Research

Ascendant Capital Markets, LLC research is distributed electronically via the Thomson Reuters platforms, Bloomberg, Capital IQ, and FactSet. Please contact your investment advisor or institutional salesperson for more information.

### General Disclaimer

The information and opinions in this report were prepared by Ascendant Capital Markets, LLC. This information is not intended to be used as the primary basis of investment decisions and because of individual client objectives it should not be construed as advice designed to meet the particular investment needs of any investor. This material is for information purposes only and is not an offer or solicitation with respect to the purchase or sale of any security. The reader should assume that Ascendant Capital Markets, LLC may have a conflict of interest and should not rely solely on this report in evaluating whether or not to buy or sell securities of issuers discussed herein. The opinions, estimates, and projections contained in this report are those of Ascendant Capital Markets, LLC as of the date of this report and are subject to change without notice. Ascendant Capital Markets, LLC endeavors to ensure that the contents have been compiled or derived from sources that we believe are reliable and contain information and opinions that are accurate and complete. However, Ascendant Capital Markets, LLC makes no representation or warranty, express or implied, in respect thereof, takes no responsibility for any errors and omissions contained herein, and accepts no liability whatsoever for any loss arising from any use of, or reliance on, this report or its contents. Information may be available to Ascendant Capital Markets, LLC, or its affiliates that is not reflected in this report. This report is not to be construed as an offer or solicitation to buy or sell any security.

### Additional Disclosures

Ascendant Capital Markets, LLC is a broker-dealer registered with the United States Securities and Exchange Commission (SEC) and a member of the FINRA and SIPC. Ascendant Capital Markets, LLC is not a Registered Investment Advisor nor is it an investment advisor registered with the Securities and Exchange Commission or with the securities regulators of any state, and at the present time is not eligible to file for federal registration.