



ENDRA Life Sciences Inc.

Q3 about inline and planned FDA submission soon. We believe FDA approval and EU/US product launch over the next year to drive stock. Lowering P/T to \$4.25.

Q3 about inline: ENDRA recently (on November 14) reported its Q3 2022 (ending September) results. Net loss was \$3.4 million or EPS of \$(0.05) compared with our and consensus estimates of \$(0.05) – (0.06). There was no Q3 guidance. ENDRA is a late stage medical device development/early stage commercialization company so it generates no revenues.

Operating expense: Operating expenses were \$3.4 million, vs \$3.6 million in Q2.

No 2022 guidance: Management did not provide specific 2022 guidance.

Adjusting 2022 estimates: We are adjusting our 2022 revenues estimates to \$0 from \$0.3 million, but maintaining it for EPS of \$(0.23).

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.

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

FDA submission soon: In June 2020, ENDRA filed its 501(k) 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 501(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). ENDRA plans to file its FDA submission soon (we estimate by Q4 2022 or Q1 2023). We note that key commercialization activities have already started, including a major distribution deal in Vietnam.

95 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 expects to have 200 total patients scanned soon (we estimate a slight delay from its prior goal by the end of 2022). YTD it has done 95 scans, which is up from 50 in August.

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 Non-Alcoholic Fatty Liver Disease (NAFLD). In 2011, over 1.4 billion people were affected by NAFLD/NASH around the world. Despite the increased incidence of NAFLD, there are no low-cost, accurate, and safe methods for measuring fat in the liver. TAEUS technology should enable to diagnose NAFLD earlier and monitor patients with related liver diseases more accurately and cost-effectively than is possible with existing technology.

Balance sheet: In Q3, ENDRA has \$8 million in cash and no debt. We believe it has enough cash into late 2023.

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 \$4.25 from \$4.50. 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

November 21, 2022

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COMPANY UPDATE

Rating: **BUY**

Ticker: NDRA

Price: \$0.18
(intraday)

Target: \$4.25
(from \$4.50)

Stock Data

Exchange:	NasdaqCM
52-week Range:	\$0.17 – 1.09
Shares Outstanding (million):	63
Market cap (\$million):	\$11
EV (\$million):	\$3
Debt (\$million):	\$0
Cash (\$million):	\$8
Avg. Daily Trading Vol. (\$million):	\$0.3
Float (million shares):	62
Short Interest (million shares):	0.5
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2022E</u> (Cur.)	<u>2022E</u> (Old)	<u>2023E</u> (Cur.)	<u>2023E</u> (Old)
Q1 Mar	0.0A		0.2E	1.0E
Q2 Jun	0.0A		0.6E	1.0E
Q3 Sep	0.0A	0.0E	0.7E	1.0E
Q4 Dec	<u>0.0E</u>	<u>0.3E</u>	<u>1.0E</u>	<u>1.0E</u>
Total	0.0E	0.3E	2.5E	4.0E
EV/Revs	N/A		1x	

Earnings per Share (pro forma)

	<u>2022E</u> (Cur.)	<u>2022E</u> (Old)	<u>2023E</u> (Cur.)	<u>2023E</u> (Old)
Q1 Mar	(0.07)A		(0.05)E	(0.04)E
Q2 Jun	(0.06)A		(0.05)E	(0.04)E
Q3 Sep	(0.05)A	(0.05)E	(0.04)E	
Q4 Dec	<u>(0.05)E</u>		<u>(0.04)E</u>	
Total	(0.23)E		(0.18)E	(0.17)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 11.

Exhibit 1: Q3 2022 and Recent Highlights (as of November 14, 2022)

- **Nearly doubled TAEUS system scans at global clinical evaluation sites.** Year-to-date, 95 TAEUS scans – nearly double the count announced in August – have been performed on study participants toward ENDRA's goal of building a strong body of clinical evidence. Data generated by these clinical evaluation sites will support the commercialization of the TAEUS system, and a subset of the data will also be used to support ENDRA's submission of its De Novo request to the U.S. Food and Drug Administration (FDA).
- **Finalizing collection of data for inclusion in the De Novo request to the FDA.** ENDRA is pursuing the De Novo regulatory pathway for its TAEUS liver device, which is intended to characterize fatty liver tissue as a non-invasive means to assess and monitor Non-Alcoholic Fatty Liver Disease (NAFLD). The De Novo documentation is substantially complete with remaining efforts focused on obtaining the final TAEUS and MRI confirmatory data, after which the submission will be made. The De Novo pathway should assist ENDRA in achieving the strongest market position in the United States with TAEUS-optimized claims.
- **Showcased the TAEUS system in ENDRA's booth at four major hepatology clinical conferences.** The ENDRA team met with prospective customers, industry leaders and key partners at four major hepatology clinical conferences, including most recently The Liver Meeting by the American Association for the Study of Liver Diseases in Washington, D.C. The commercial team has continued to generate market awareness for the TAEUS system by participating in 11 industry conferences year-to-date and conducting other cost-effective marketing activities.
- **Strong balance sheet to fund the company through expected key milestones.** With a cash position of approximately \$8.0 million as of September 30, 2022, management believes ENDRA is sufficiently capitalized to fund operations through several important milestones, including ramping-up commercial activities in Europe and advancing the TAEUS system through the regulatory process in the U.S.
- **Expanded global intellectual property portfolio to 56 issued patents.** During the third quarter and recent weeks, the company was issued eight patents that further protect its thermoacoustic imaging technology. ENDRA announced several new U.S patents focused on cloud-enabled connectivity of medical devices and is pursuing out-licensing opportunities with other equipment manufacturers.

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: Investment Highlights

PROPRIETARY SCALABLE PLATFORM

- Thermo Acoustic Enhanced Ultrasound (TAEUS[®]) uses radio frequency pulses to create sonic waves
- TAEUS differentiates tissues similar to MRI but at 50x lower cost,¹ at the point of patient care
- Potential to address multiple unmet clinical needs, and generate diverse revenue streams
- TAEUS CE mark received in Europe, and FDA De Novo request planned for 2022 in the U.S.
- **56 issued patents**, organically developed (no in-licensing). 35 filed patents.

MULTI-BILLION DOLLAR MARKET

- First TAEUS indication focused on liver disease (NAFLD-NASH) with no practical diagnostic tools
- 1.8 billion people² affected with excess liver fat. \$12.5 billion global market opportunity³

CAPITAL-EFFICIENT OPERATING MODEL

- Small ENDRA team + world-class technical, clinical and commercial partners

Source: Company reports.

Exhibit 3: TAEUS Upcoming Milestones

Anticipated Milestones: ENDRA Liver Application

2022





- ✓ Sign high-value China partnership with Shanghai General Hospital
- ✓ Achieve clarity on U.S regulatory strategy
 - Submit De Novo request in 2022
- ✓ Strengthen intellectual property portfolio
- ✓ Collect TAEUS clinical evidence from global research partners
- Ramp commercialization efforts & drive sales in Europe
- Forge alliances with pharmas & med-techs for other TAEUS applications

Source: Company reports.

Exhibit 4: ENDRA Partners

ENDRA Partners

SUPPORTING TECHNICAL, CLINICAL & COMMERCIAL DEVELOPMENT OF TAEUS

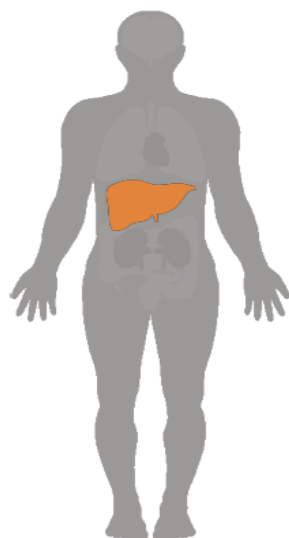
		Value to ENDRA		
Partner's Role		Build Clinical Evidence	Refine Technology	Commercial Support
	8 TAEUS clinical evaluation sites (4 EU, 3 U.S., 1 China)	●	●	●
	Ultrasound leader, supporting ENDRA intros to GE customers			●
	Pharma companies piloting TAEUS for drug trial screening	●		
	Academic lab developing TAEUS artificial intelligence capabilities		●	

Source: Company reports.

Exhibit 5: ENDRA's TAEUS Market Opportunity

ENDRA Opportunity #1: Non-Alcoholic Fatty Liver Disease (NAFLD)

QUANTIFY LIVER FAT INEXPENSIVELY & NON-INVASIVELY AT EARLIEST STAGE OF LIVER DISEASE



1.4 BILLION PEOPLE AFFECTED GLOBALLY¹

- Drivers: obesity, diabetes, Hep-C, drugs
- Often asymptomatic, needs to be monitored
- ~30%² of NAFLD cases progress to NASH, then Fibrosis, Cirrhosis, Cancer
- Total annual direct medical costs for NAFLD: \$103B in the U.S³
- Median Medicare inpatient charge per NAFLD patient: \$36K⁴
- By 2025, NAFLD likely the greatest root cause of liver transplants⁵

CURRENT DIAGNOSTIC & MONITORING TOOLS ARE IMPRACTICAL

Expensive MRI, invasive surgical biopsy

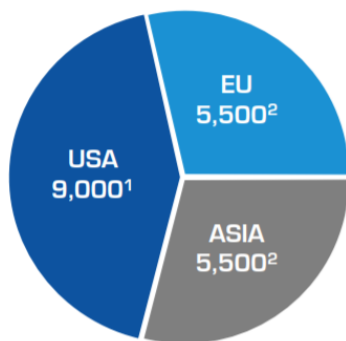
"The ability to accurately quantify fat in the liver, at the point-of-care with ENDRA's TAEUS ultrasound could be revolutionary."

Xiang Jing M.D
Deputy Chairman, Ultrasound Committee
China Medical Association

Total Addressable Market for NAFLD-NASH Fat Measurement Tool

\$1 BILLION OPPORTUNITY ... WITH UPSIDE

Estimated 2019 Number of Facilities¹ Performing Abdominal-Liver Ultrasound Scans



Global **facilities** (primarily radiology) currently doing abdominal-liver ultrasound scans, who could potentially buy 1 unit of ENDRA's liver technology **20,000**

Target average selling **price** per unit of ENDRA's liver technology **x \$50K**

Sub-Total Addressable Market = \$1 billion

Potential Upside

- Non-radiology facilities focused on liver & metabolism: gastro-hepatology, endocrinology, primary care
- Other global markets: Latin America, Middle East
- >1 ENDRA liver unit sale per facility (E.g. hospital)
- ENDRA licensing, disposables, service



NASDAQ: NDRA 7

Source: Company reports.

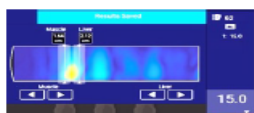
Exhibit 6: TAEUS

TAEUS® Liver Application

RADIO FREQUENCY PULSES CREATE SONIC WAVES THAT QUANTITATE LIVER FAT FRACTION



Illustration of TAEUS probe



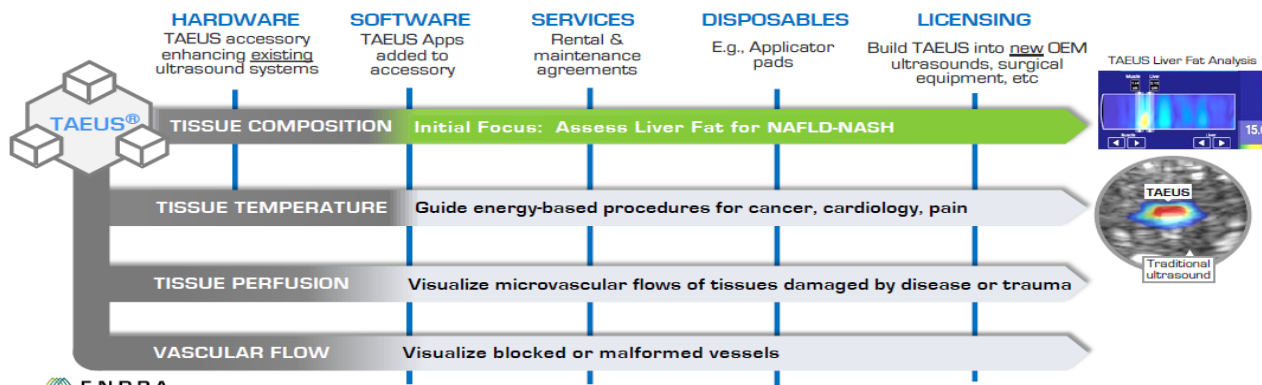
Screen shot of TAEUS measurement

TAEUS PROCEDURE

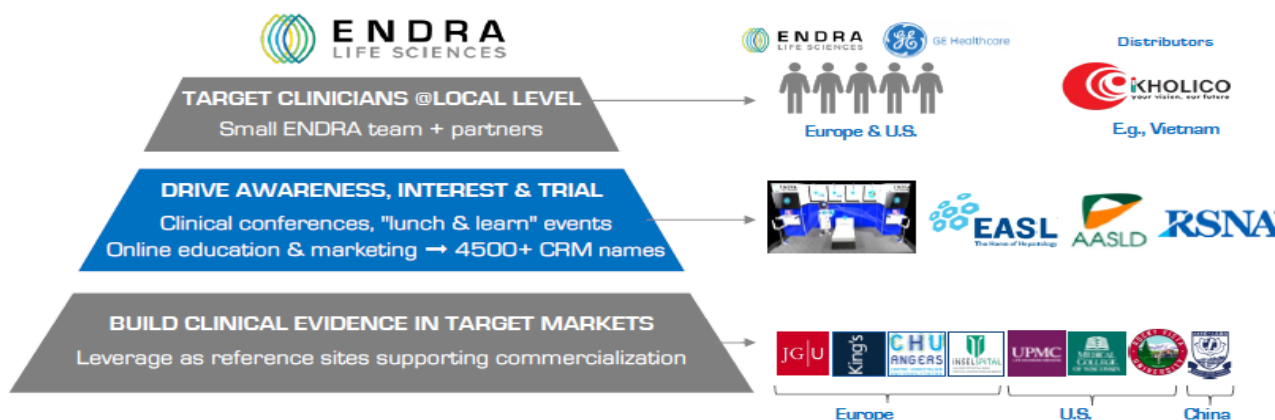
- Locate liver with any traditional B-mode ultrasound
- Apply & activate TAEUS probe; each scan takes 1.5 seconds
- ✓ TAEUS human feasibility study (n=19), validated against MRI-PDFF. **Sensitivity 0.88 Specificity 0.82 AUROC 0.91 @ MRI 6% steatosis**
- ✓ Several independent clinical studies underway with goal of scanning 200 subjects by end of 2022
- ✓ CE mark received in Europe
- FDA De Novo request planned in 2022 (Not yet approved for sale in U.S)

TAEUS® Platform Evolution¹ & Business Model

START WITH LIVER-FOCUSED ACCESSORY & SOFTWARE ENHANCING EXISTING ULTRASOUND SYSTEMS, THEN SCALE WITH ADDITIONAL CLINICAL APPLICATIONS & REVENUE STREAMS



Commercializing TAEUS Liver: 3 Core Elements



Source: Company reports.

Exhibit 7: ENDRA Life Sciences Stock Price (5-years)



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

Exhibit 8: Consensus Expectations (as of November 14, 2022)

	Revenue (mil)			EPS	
	<u>2022E</u>	<u>2022E</u>		<u>2022E</u>	<u>2023E</u>
Q1 Mar	\$0.0A		Q1 Mar	\$(0.07)A	
Q2 Jun	\$0.0A		Q2 Jun	\$(0.06)A	
Q3 Sep	\$0.0E		Q3 Sep	\$(0.06)E	
Q4 Dec	\$0.9E		Q4 Dec	\$(0.04)E	
Total	\$0.9E	\$6.6E	Total	\$(0.23)E	\$(0.15)E

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

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

FINANCIAL MODEL

ENDRA Life Sciences Inc.

Income Statement (\$ mils)	Mar-20	Jun-20	Sep-20	Dec-20	2020	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
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	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	0.0	0.0	0.2	0.6	0.7	1.0	2.5
Cost of Revenues	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.3	0.4	0.5	1.3
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	0.0	0.0	0.1	0.3	0.4	0.5	1.3
Research and development	1.5	1.5	1.8	1.1	5.9	1.1	1.7	1.2	1.4	5.5	1.2	1.8	1.8	1.5	6.4	1.3	1.3	1.3	1.3	5.2
Sales and marketing	0.1	0.1	0.1	0.2	0.6	0.2	0.3	0.3	0.4	1.1	0.3	0.3	0.4	0.5	1.6	0.5	0.5	0.5	0.5	2.0
General and administrative	1.5	1.3	1.3	0.9	5.0	1.3	1.2	1.2	1.3	4.9	1.3	1.4	1.2	1.4	5.3	1.4	1.4	1.4	1.4	5.6
Restructuring and other					0.0					0.0					0.0					0.0
Total operating expenses	3.1	2.9	3.3	2.3	11.5	2.6	3.2	2.7	3.1	11.5	2.9	3.6	3.4	3.4	13.2	3.2	3.2	3.2	3.2	12.8
Operating income (loss)	(3.1)	(2.9)	(3.3)	(2.3)	(11.5)	(2.6)	(3.2)	(2.7)	(3.1)	(11.5)	(2.9)	(3.6)	(3.4)	(3.4)	(13.2)	(3.1)	(2.9)	(2.9)	(2.7)	(11.6)
Interest income (expense)	(0.2)	(0.0)		0.0	(0.2)					0.0				(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Other income (expense)	0.0	0.0	(0.4)	0.4	0.0	0.2	0.0	(0.0)	(0.0)	0.1	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)					(0.1)
Income before income taxes	(3.3)	(2.9)	(3.7)	(1.9)	(11.7)	(2.4)	(3.2)	(2.7)	(3.1)	(11.4)	(2.9)	(3.6)	(3.4)	(3.5)	(13.3)	(3.1)	(2.9)	(2.9)	(2.8)	(11.6)
Income taxes					0.0					0.0					0.0	0.0	0.0	0.0	0.0	0.0
Net income (loss)	(3.3)	(2.9)	(3.7)	(1.9)	(11.7)	(2.4)	(3.2)	(2.7)	(3.1)	(11.4)	(2.9)	(3.6)	(3.4)	(3.5)	(13.3)	(3.1)	(2.9)	(2.9)	(2.8)	(11.6)
Nonrecurring/noncash adjustments					0.0					0.0					0.0					0.0
Net income (pro forma)	(3.3)	(2.9)	(3.7)	(1.9)	(11.7)	(2.4)	(3.2)	(2.7)	(3.1)	(11.4)	(2.9)	(3.6)	(3.4)	(3.5)	(13.3)	(3.1)	(2.9)	(2.9)	(2.8)	(11.6)
EBITDA																				
Shares, Basic	11.5	14.7	23.9	26.5	19.2	37.8	41.7	41.9	42.3	40.9	43.1	61.6	63.2	63.3	57.8	63.4	63.5	63.6	63.7	63.5
Shares, Diluted	11.5	14.7	23.9	26.5	19.2	37.8	41.7	41.9	42.3	40.9	43.1	61.6	63.2	63.3	57.8	63.4	63.5	63.6	63.7	63.5
EPS Basic (Pro forma)	(\$0.29)	(\$0.20)	(\$0.15)	(\$0.07)	(\$0.61)	(\$0.06)	(\$0.08)	(\$0.06)	(\$0.07)	(\$0.28)	(\$0.07)	(\$0.06)	(\$0.05)	(\$0.05)	(\$0.23)	(\$0.05)	(\$0.05)	(\$0.04)	(\$0.04)	(\$0.18)
EPS Diluted (Pro forma)	(\$0.29)	(\$0.20)	(\$0.15)	(\$0.07)	(\$0.61)	(\$0.06)	(\$0.08)	(\$0.06)	(\$0.07)	(\$0.28)	(\$0.07)	(\$0.06)	(\$0.05)	(\$0.05)	(\$0.23)	(\$0.05)	(\$0.05)	(\$0.04)	(\$0.04)	(\$0.18)
Margins																				
Gross margin															#DIV/0!	50%	50%	50%	50%	50%
Research and development															#DIV/0!	650%	217%	186%	130%	208%
Sales and marketing															#DIV/0!	250%	83%	71%	50%	80%
General and administrative															#DIV/0!	700%	233%	200%	140%	224%
Operating margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	-1550%	-483%	-407%	-270%	-462%
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	NM	NM	-1550%	-483%	-407%	-275%	-464%
YY % change																				
Total Revenue															#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Gross margin															#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Research and development	-14%	14%	20%	-44%	-10%	-25%	17%	-34%	24%	-7%	6%	6%	56%	5%	17%	7%	-30%	-29%	-13%	-19%
Sales and marketing	102%	53%	39%	15%	41%	40%	91%	97%	99%	85%	111%	33%	53%	31%	49%	47%	46%	19%	0%	25%
General and administrative	60%	36%	26%	-2%	30%	-13%	-6%	-11%	38%	-1%	2%	15%	-3%	11%	6%	7%	1%	20%	0%	7%
Operating income (loss)	13%	24%	23%	-28%	6%	-17%	11%	-19%	36%	0%	11%	12%	29%	11%	15%	9%	-19%	-17%	-21%	-13%
Net income (loss)	21%	24%	7%	-79%	-33%	-28%	11%	-27%	67%	-3%	20%	12%	29%	11%	18%	8%	-19%	-17%	-20%	-13%
EPS Diluted (Pro forma)	-22%	-38%	-67%	-94%	-74%	-78%	-61%	-59%	5%	-55%	5%	-24%	-14%	-26%	-17%	-26%	-22%	-18%	-21%	-21%

Source: Company reports and Ascendant Capital Markets estimates.

ENDRA Life Sciences Inc.

Balance Sheet (\$ mils)	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	3.1	0.7	3.8	7.2	16.8	14.0	11.8	9.5	7.1	11.3	8.0	7.3	4.9	3.0	0.4	(1.5)
Short term investments												0.0	0.0	0.0	0.0	0.0
Accounts receivable, net												0.0	0.2	0.7	0.8	1.1
Inventory	0.2	0.3	0.3	0.6	0.7	1.3	1.5	1.3	1.9	2.4	2.6	0.0	0.0	0.1	0.1	0.1
Deferred income taxes												0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other	0.5	1.2	0.7	0.4	0.8	1.0	1.2	1.3	1.1	0.8	0.9	0.0	0.1	0.3	0.4	0.5
Total current assets	3.8	2.3	4.8	8.2	18.4	16.3	14.5	12.1	10.1	14.5	11.6	7.3	5.3	4.0	1.6	0.2
Property and equipment, net	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.2	0.2	0.3	0.3	0.4	0.6	0.6
Intangibles, net												0.0	0.0	0.0	0.0	0.0
Deferred income tax												0.0	0.0	0.0	0.0	0.0
Other	0.4	0.4	0.4	0.3	0.3	0.7	0.7	0.6	0.6	0.6	0.5	0.0	0.0	0.0	0.0	0.0
Total assets	4.4	2.9	5.4	8.8	18.9	17.2	15.3	12.9	10.9	15.3	12.3	7.6	5.6	4.4	2.2	0.8
Liabilities and stockholders' equity																
Accounts payable	1.4	1.2	1.3	0.9	0.7	1.5	1.4	1.4	1.2	1.4	1.6	0.0	0.6	1.8	2.1	3.0
Accrued expenses												0.0	0.1	0.3	0.4	0.5
Deferred income tax												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	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Short term debt	0.0											0.0	0.0	0.0	0.0	0.0
Total current liabilities	1.6	1.2	1.4	1.0	0.8	1.6	1.6	1.5	1.4	1.5	1.7	0.1	0.8	2.2	2.6	3.6
Deferred income taxes												0.0	0.0	0.0	0.0	0.0
Warrant liabilities												0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.3	0.3	0.3	0.3	0.3	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Long term debt		0.3	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
Total other liabilities	0.3	0.6	0.6	0.6	0.3	0.6	0.6	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4
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	0.0	0.3	0.6	0.9	1.2	1.6
Additional paid-in capital	51.0	52.2	58.4	64.5	77.5	77.8	78.7	79.5	80.6	88.5	88.8	88.8	88.8	88.8	88.8	88.8
Retained earnings	(48.5)	(51.4)	(55.1)	(57.3)	(59.7)	(62.9)	(65.6)	(68.7)	(71.5)	(75.1)	(78.6)	(82.0)	(85.1)	(88.0)	(90.9)	(93.6)
Accumulated other comprehensive income	0.1	0.2										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
Total stockholders' equity	2.5	1.0	3.3	7.2	17.9	15.0	13.2	10.8	9.1	13.3	10.2	7.1	4.3	1.7	(0.9)	(3.3)
Total stockholders' equity and liabilities	4.4	2.9	5.4	8.8	18.9	17.2	15.3	12.9	10.9	15.3	12.3	7.6	5.6	4.4	2.2	0.8

Balance Sheet Drivers

	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	50%	50%	50%	50%
Accounts payable as % of total rev	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	300%	300%	300%	300%
Inventories as % of cost of rev	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	20%	20%	20%	20%
Accrued expenses as % of total rev	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	50%	50%	50%	50%
Activity Ratios																
A/R Days Sales Outstanding	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	100	100	100	100
Inventory Turnover	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	#DIV/0!	20.0x	6.7x	17.1x	14.0x
A/P Days Payable	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	540	1620	630	771
Book & Cash Value (per share)																
Book Value per Share (diluted)	\$0.22	\$0.07	\$0.14	\$0.27	\$0.47	\$0.36	\$0.31	\$0.25	\$0.21	\$0.22	\$0.16	\$0.11	\$0.07	\$0.03	-\$0.01	-\$0.05
Cash per Share (diluted)	\$0.27	\$0.05	\$0.16	\$0.27	\$0.45	\$0.34	\$0.28	\$0.22	\$0.17	\$0.18	\$0.13	\$0.12	\$0.08	\$0.05	\$0.01	-\$0.02
Net cash per Share (diluted)	\$0.27	\$0.03	\$0.14	\$0.26	\$0.45	\$0.34	\$0.28	\$0.22	\$0.16	\$0.18	\$0.13	\$0.12	\$0.08	\$0.05	\$0.01	-\$0.02

Source: Company reports and Ascendant Capital Markets estimates

ENDRA Life Sciences Inc.

Cash Flow Statement (\$ mils)	Mar-20	Jun-20	Sep-20	Dec-20	2020	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	
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Cash flow from operating activities																					
Net income	(3.3)	(2.9)	(3.3)	(2.3)	(11.7)	(2.3)	(3.2)	(2.7)	(3.1)	(11.2)	(2.9)	(3.6)	(3.4)	(3.5)	(13.3)	(3.1)	(2.9)	(2.9)	(2.8)	(11.6)	
Depreciation	0.0	0.0	0.0	0.1	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	0.0	
Debt related amortization exper	0.2	0.0	0.0	0.0	0.2	(0.3)				(0.3)					0.0					0.0	
Stock comp	0.6	0.5	0.5	0.5	2.1	0.4	0.3	0.3	0.4	1.4	0.3	0.3	0.3	0.3	1.2	0.3	0.3	0.3	0.3	1.2	
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	
Other gains/losses					0.0					0.0					0.0					0.0	
Other	(0.0)	0.0	(0.0)	0.0	0.0					0.0					0.0					0.0	
Changes in operating assets and liabilities:																					
Accounts receivable					0.0					0.0				0.0	0.0	(0.2)	(0.4)	(0.1)	(0.3)	(1.1)	
Inventory	(0.1)	(0.2)	0.0	(0.3)	(0.5)	(0.1)	(0.6)	(0.2)	0.2	(0.7)	(0.6)	(0.4)	(0.3)	2.6	1.3	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	
Prepaid expenses & other curre	(0.3)	(0.7)	0.5	0.3	(0.1)	(0.4)	(0.2)	(0.2)	(0.2)	(1.0)	0.3	0.2	(0.1)	0.9	1.3	(0.1)	(0.2)	(0.1)	(0.2)	(0.5)	
Income tax					0.0					0.0					0.0					0.0	
Other assets	0.0	(0.0)	0.0	(0.0)	(0.1)					0.0				0.5	0.5	0.0	0.0	0.0	0.0	0.0	
Accounts payable	(0.3)	(0.2)	0.0	(0.4)	(0.9)	(0.2)	0.8	(0.1)	(0.0)	0.5	(0.2)	0.1	0.2	(1.6)	(1.4)	0.6	1.2	0.3	0.9	3.0	
Accrued expenses					0.0					0.0					0.0	0.1	0.2	0.1	0.2	0.5	
Other liabilities					0.0	(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	(3.1)	(3.5)	(2.1)	(2.1)	(10.8)	(2.9)	(2.8)	(2.7)	(2.7)	(11.1)	(3.1)	(3.3)	(3.2)	(0.6)	(10.3)	(2.4)	(1.9)	(2.3)	(1.9)	(8.5)	
Cash flow from investing activities																					
Purchases of property and equi	(0.0)		0.0	(0.0)	(0.1)	(0.0)				(0.0)	(0.1)	(0.1)	(0.0)	(0.1)	(0.3)	(0.0)	(0.1)	(0.3)	(0.0)	(0.4)	
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)	(0.1)	(0.0)	0.0	0.0	0.0	(0.0)	(0.1)	(0.1)	(0.0)	(0.1)	(0.3)	(0.0)	(0.1)	(0.3)	(0.0)	(0.4)	
Cash flow from financing activities																					
Issuance of debt		0.3			0.3					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				0.0	0.0					0.0	
Issuance of stock		0.8	0.5	5.5	6.8	9.8		0.5	0.3	10.6	0.9	7.5		0.0	8.4	0.0	0.0	0.0	0.0	0.0	
Proceeds from stock option exe	0.0	0.0	4.6	0.1	4.8	2.8				2.8				0.0	0.0					0.0	
Other					0.0					0.0				0.0	0.0					0.0	
Dividends and distributions					0.0					0.0				0.0	0.0					0.0	
Cash provided by (used in) fina	0.0	1.1	5.2	5.6	11.9	12.6	0.0	0.5	0.3	13.4	0.9	7.5	0.0	0.0	8.4	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	(3.1)	(2.4)	3.0	3.4	1.1	9.6	(2.8)	(2.3)	(2.3)	2.2	(2.3)	4.2	(3.3)	(0.7)	(2.1)	(2.4)	(1.9)	(2.6)	(1.9)	(8.9)	
Beginning cash and equivalents	6.2	3.1	0.7	3.8	6.2	7.2	16.8	14.0	11.8	7.2	9.5	7.1	11.3	8.0	9.5	7.3	4.9	3.0	0.4	7.3	
Ending cash and equivalents	3.1	0.7	3.8	7.2	7.2	16.8	14.0	11.8	9.5	9.5	7.1	11.3	8.0	7.3	7.3	4.9	3.0	0.4	(1.5)	(1.5)	

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	4.50
2	5/15/2019	Buy	4.25
3	8/12/2019	Buy	3.25
4	11/18/2019	Buy	2.75
5	1/28/2020	Buy	3.00
6	3/29/2020	Buy	2.50
7	5/19/2020	Buy	2.75
8	8/18/2020	Buy	3.25
9	11/21/2020	Buy	3.50
10	4/4/2021	Buy	5.50
11	5/31/2021	Buy	6.00
12	8/23/2021	Buy	6.50
13	11/17/2021	Buy	6.25
14	4/12/2022	Buy	5.50
15	6/5/2022	Buy	5.00
16	9/7/2022	Buy	4.50

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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 Rating System

Prior to January 31, 2014, ASCM used the following rating system:

Strong Buy: We expect the stock to provide a total return of 30% or more within a 12-month period.

Buy: We expect the stock to provide a total return of between 10% and 30% within a 12-month period.

Neutral: We expect the stock to provide a total return of between minus 10% and plus 10% within a 12-month period.

Sell: We expect the stock to provide a total return of minus 10% or worse within a 12-month period.

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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
Buy	43	98%	17	40%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	44	100%	17	39%

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