



# Nemaura Medical Inc.

Reports Q3. Major catalyst expected in 2024 from SugarBEAT launch in U.S., Europe, and ME. Lowering P/T to \$1.50.

**Reports Q3:** Nemaura recently (on February 12) reported its Q3 FY24 (ending December) results. Revenue was \$0, compared with our estimates of \$0.1 million. EPS was \$(0.07) compared to our estimate of \$(0.12). There was no Q3 guidance or consensus. Nemaura is an early/clinical stage medical device development /commercialization company so it still generates low revenue but is expected to grow fast over the next year.

**Operating expense:** Operating expenses were \$1.5 million, down from Q2's \$2.1 million. Management declined to provide FY24 specific guidance, but we believe ~\$2 million is a reasonable near term quarterly burn rate.

**No guidance:** The company has not provided specific financial guidance.

**Adjusting estimates:** We are adjusting our FY24 estimate for revenue to \$0.2 million, from \$0.5 million, and for EPS to \$(0.32) from \$(0.36).

**Major ME contract and approval:** In October 2022, the company received a major provisional order for 17,500 devices and 1.7 million sensors from TPMENA, its MENA (Middle East/North Africa) licensee for its sugarBEAT system. In August 2023, the SFDA (Saudi Food and Drug Authority) approved the sugarBEAT so the formal launch has now started.

**SugarBEAT:** sugarBEAT is a CE mark (EU) approved Class IIb medical device. It is a non-invasive and flexible continuous glucose monitor (CGM) providing actionable insights derived from real time glucose measurements and daily glucose trend data, which may help people with diabetes and pre-diabetes to better manage, reverse, and prevent the onset of diabetes. sugarBEAT received CE mark (EU) approval in May 2019 and is currently in early commercialization phase in the EU.

**Large target market:** sugarBEAT is for people with diabetes as an adjunct to finger prick testing to monitor and track their glucose profiles, so that the user can be better informed about the factors affecting their glucose profile, and to help manage their diabetes. sugarBEAT is targeted initially at the Type 2 diabetic population, which is over 25 million people in the U.S.

**U.S. product updates:** Nemaura had submitted a PMA (Pre-market Approval Application) for sugarBEAT to the U.S. FDA (in July 2020) but has recently (in October 2023) decided to submit a revised PMA (and is in process of completing the PMA). Nemaura has launched a digital healthcare subscription service in the U.S. under the brand name BEATdiabetes. The company also launched a beta version of Miboko, its mass-market metabolic health program utilizing its non-invasive glucose sensor along with an AI mobile application.

**Full commercial launch in 2024:** SugarBEAT is currently in early launch phase in the EU but we expect a major launch in the EU, ME, and U.S. in 2024. The company continues to build its management team and increase resources for an initial and expanded commercial launch.

**Balance sheet:** The company has ~\$0 million in cash and \$20 million in debt as of Q3. In November, the company acquired a \$10 million debt facility. We believe it has enough cash through 2024.

**Moved to OTC:** In January, Nemaura made the decision to delist its stock from Nasdaq and move to the OTC Markets.

**Maintaining BUY:** We are maintaining our BUY rating, but lowering our 12-month price target to \$1.50 from \$3.50, which is based on an NPV analysis. This represents 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 Loughborough, England, Nemaura Medical is engaged in the discovery, development, and commercialization of diagnostic medical devices.

United States  
Healthcare

February 21, 2024

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## COMPANY UPDATE

Rating: **BUY**

Ticker: NMRD

Price: \$0.09

Target: \$1.50  
(from \$3.50)

## Stock Data

Exchange:	OTC
52-week Range:	\$0.07 – 1.25
Shares Outstanding (million):	29
Market cap (\$million):	\$3
EV (\$million):	\$23
Debt (\$million):	\$20
Cash (\$million):	\$0
Avg. Daily Trading Vol. (\$million):	\$0.1
Float (million shares):	15
Short Interest (million shares):	0.1
Dividend, annual (yield):	\$0 (NA%)

## Revenues (US\$ million)

	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>	<u>2025E</u> <u>(Cur.)</u>	<u>2025E</u> <u>(Old)</u>
Q1 Jun	0.0A		0.2E	0.5E
Q2 Sep	0.0A		0.3E	0.5E
Q3 Dec	0.0A	0.1E	0.4E	0.5E
Q4 Mar	<u>0.2E</u>	<u>0.4E</u>	<u>0.5E</u>	<u>1.0E</u>
Total	<b>0.2E</b>	<b>0.5E</b>	<b>1.4E</b>	<b>2.5E</b>
EV/Revs	115x		16x	

## Earnings per Share (pro forma)

	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>	<u>2025E</u> <u>(Cur.)</u>	<u>2025E</u> <u>(Old)</u>
Q1 Jun	(0.09)A		(0.11)E	
Q2 Sep	(0.04)A		(0.11)E	
Q3 Dec	(0.07)A	(0.12)E	(0.11)E	
Q4 Mar	<u>(0.11)E</u>		<u>(0.11)E</u>	<u>(0.10)E</u>
Total	<b>(0.32)E</b>	<b>(0.36)E</b>	<b>(0.44)E</b>	<b>(0.43)E</b>
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 18.

## Exhibit 1: Nemaura Medical's Company Overview

# Our Vision

Within 5 years, Nemaura aims to lead the wearables market and in the self-management of chronic diseases with our AI-driven pipeline of sensor products and our digital healthcare platforms.

## KNOWLEDGE

Provide knowledge to empower users, using our BEAT® body-worn sensor platform. Glucose today, and lactate, cortisol, alcohol and others, soon...

## ENGAGEMENT

We are building and partnering with clinically validated digital tools, including gamification, to ensure longevity of our programs through long term engagement spanning years, not weeks.

## OUTCOME

Empowering users with clinical grade data and world class digital programs, we aim to provide clinically significant long-term outcomes in the global health and wellness markets.

# Company Overview

**A UK-based medical device and digital healthcare company that owns and developed IP for the world's first non-invasive body worn sensor platform.**

**This gives us unparalleled opportunities to enter new markets and upscale our operations in one of the fastest growing fields of healthcare and well-being.**

- ❑ Founded in 2011, we developed a platform technology using non-invasive microsystems to measure blood markers at the surface of the skin.
- ❑ Developed and launched sugarBEAT® Continuous Glucose Monitor, a CE approved Class 2b medical device with alarms and alerts for glucose monitoring in people with diabetes and pre-diabetes.
- ❑ Launched BEAT®diabetes, which combines the CGM platform with a digital healthcare program originally developed at the Joslin Diabetes Centre.
- ❑ Consumer product with mass appeal to be launched in 2021.

Source: Company reports.

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Exhibit 2: Nemaura Medical's Investment Highlights

## Key Highlights

- One of the fastest growing areas of healthcare – weight loss, and preventative health management through the use of low-cost body worn sensor and digital biomarker
- First mover advantage with daily wear non-invasive sensor
- Commenced Commercialisation in UK, and to be followed by other territories
- Vast potential market size – operating in a market valued at over \$250Billion<sup>5</sup>

Source: Company reports.

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Exhibit 3: Company Products

## Product Positioning

sugarBEAT® CGM – Direct sales to consumers that wish to purchase sensors to measure glucose profiles on days they choose.

[www.sugarBEAT.com](http://www.sugarBEAT.com)

BEAT® diabetes Program: A diabetes management program based on subscription. Currently in Pilot and plan is to sell in to Corporates and Insurers.

[www.BEATdiabetes.Life](http://www.BEATdiabetes.Life)

MiBoKo® Consumer Metabolic Health Program – Direct to Consumer sales to commence after Beta Phase (Beta was launched in October 2021). Plan is also to sell to employers and insurers globally, due to the low cost approach.

[www.Miboko.com](http://www.Miboko.com)

Source: Company reports.

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## Exhibit 4: SugarBEAT

# SugarBEAT®

- We believe we are poised to disrupt the multi-billion dollar glucose trending and diabetes management space
- SugarBEAT® is a non-invasive CGM (Continuous Glucose Monitor) where the sensor sits on top of the skin. Does not require needles and does not puncture the skin to insert a sensor
- SugarBEAT® is a flexible CGM which can be worn for a single day at a time, with no commitment to wear the device continuously for 10-14 days as is the case with other CGM, making it unlikely that the daily cost-of-use can be matched by our competitors
- CE approved Class IIB Medical Device
- US FDA PMA approval and launch anticipated by end of 2021
- EU commercial launch first, with U.S. and others to follow.
- Empowering Glucose Trend data over the course of the day, with measurements recorded every 5 minutes
- Replacing point in time finger-stick measurements which provide very little and often misleading information as the previous and subsequent readings are not known

Source: Company reports.

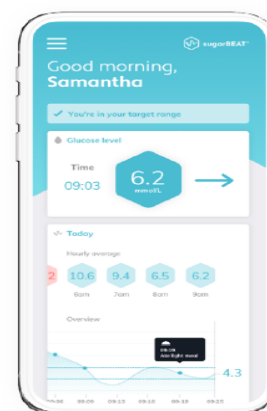
## Exhibit 5: SugarBEAT Product

# sugarBEAT® - How it Works



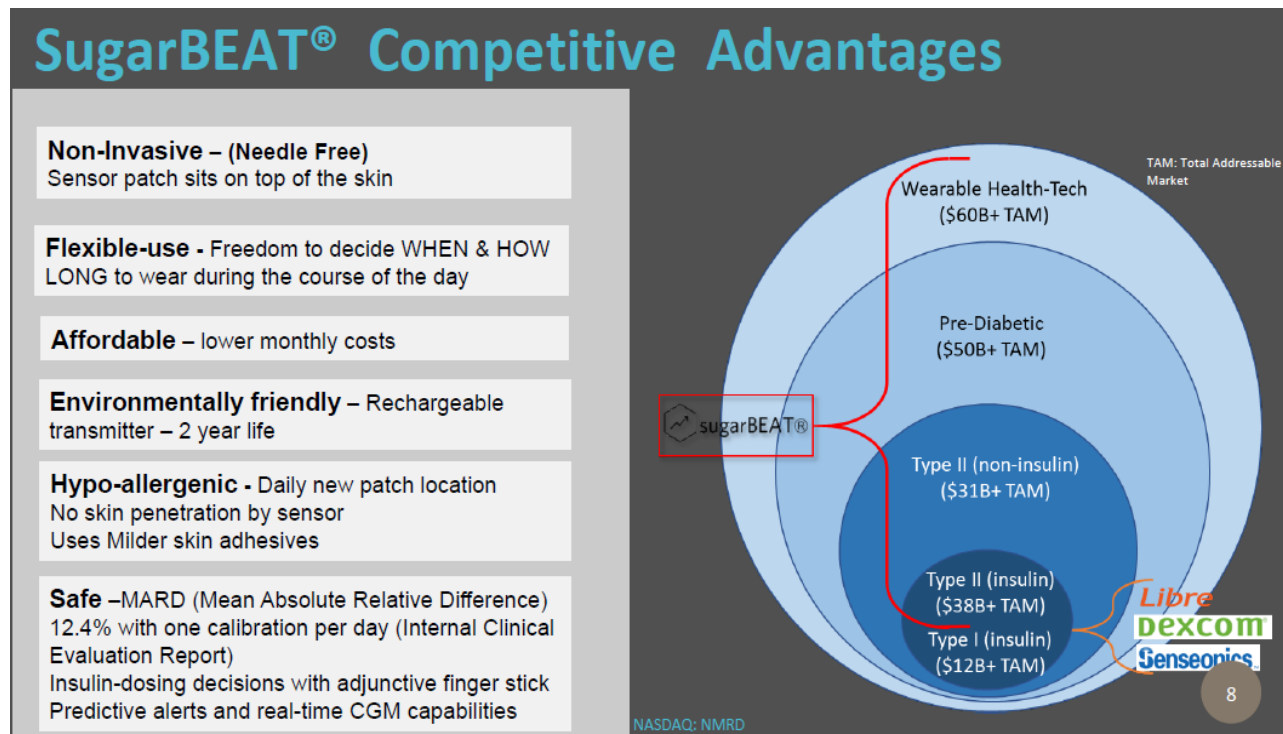
sugarBEAT® is a potential game-changer in diabetes management, with mass market applications in well-being and metabolic health

- 1 Discrete**  
A small transmitter device and an adhesive patch with a sensor sits on top of the skin, typically on the upper arm
- 2 Painless**  
The system painlessly draws small amounts of glucose molecules out of the interstitial fluid just below the top layer of skin into a chamber within the patch. Does not require needles, and the sensor does not puncture the skin
- 3 Integrated App**  
The rechargeable transmitter measures glucose levels within the chamber and transmits this data every five minutes via Bluetooth to a mobile phone app
- 4 Proprietary Algorithm**  
Using a proprietary algorithm, the app then displays this data as a glucose value on a smart phone/device in both graphical and numerical formats



Source: Company reports.

**Exhibit 6: SugarBEAT Competitive Advantages**



Source: Company reports.

**Exhibit 7: SugarBEAT Regulatory Status**

# sugarBEAT<sup>™</sup>

## Regulatory Status

- CE Approved Class 2b Medical Device in Europe
- FDA PMA submitted and in review
- FDA Bio-monitoring Division (BIMO) Audit conducted in December 2021 at Nemaura’s UK facility. A single 483 observation was issued. Company submitted a full and complete response to FDA in January 2022.
- FDA Pre-market inspection covering FDA’s Quality System/Current Good Manufacturing Practice regulations for Medical Devices (21 CFR Part 820) completed in Q2 2022. Full response sent and company continues dialogue in relation to the application. Further updates to be provided in due course.

Source: Company reports.

Exhibit 8: SugarBEAT Commercial Strategy

## Commercial Strategy

- **Priority 1: Subscription based service**
  - A monthly subscription planned to go online by end 2020 to receive a set number of sensors each month, and the app which will allow the user to share their data with family and care givers, and be able to monitor their glucose profile relative to lifestyle interventions and habits.
- **Priority 2: Digital Coaching**
  - Subscription based digital coaching supporting diabetes / health / nutrition / exercise/ behavioral changes and modification etc.
- **Priority 3: AI Platform**
  - Creation of AI platform to enhance user experience. This will be developed as we gather data from users.
- **Priority 4: One-to-one digital coaching**
  - Subscription based high value, low volume service, with coaches recruited in all local territories.

# Commercial Strategy: Geographic

Digital solutions are not limited by geographical boundaries: post roll-out in the United States, we plan additional opportunities across allied geographic markets



### Europe

Leverage similar compliance requirements and known healthcare structures to rapidly accelerate market entry



### Australia & Canada

Rapid expansion in English speaking markets with known adoption of healthcare/lifestyle apps



### Southeast Asia

Predominantly English speaking regions with a rich seam of resources available to reverse the diabetes pandemic



### Middle East

A region with a high healthcare burden in diabetes and other metabolic diseases. High adopters of digital solutions

Source: Company reports.

Exhibit 9: SugarBEAT Market Opportunity

# Clinical Need...

Obesity and Diabetes are two of the major drivers of the chronic disease epidemic.

There are over 463 million people living with diabetes worldwide, and over \$760 Billion was spent in the U.S. alone in 2019 for diabetes related healthcare expenditure<sup>1</sup>.

The total addressable market exceeds \$150 Billion<sup>2,3,4</sup>.



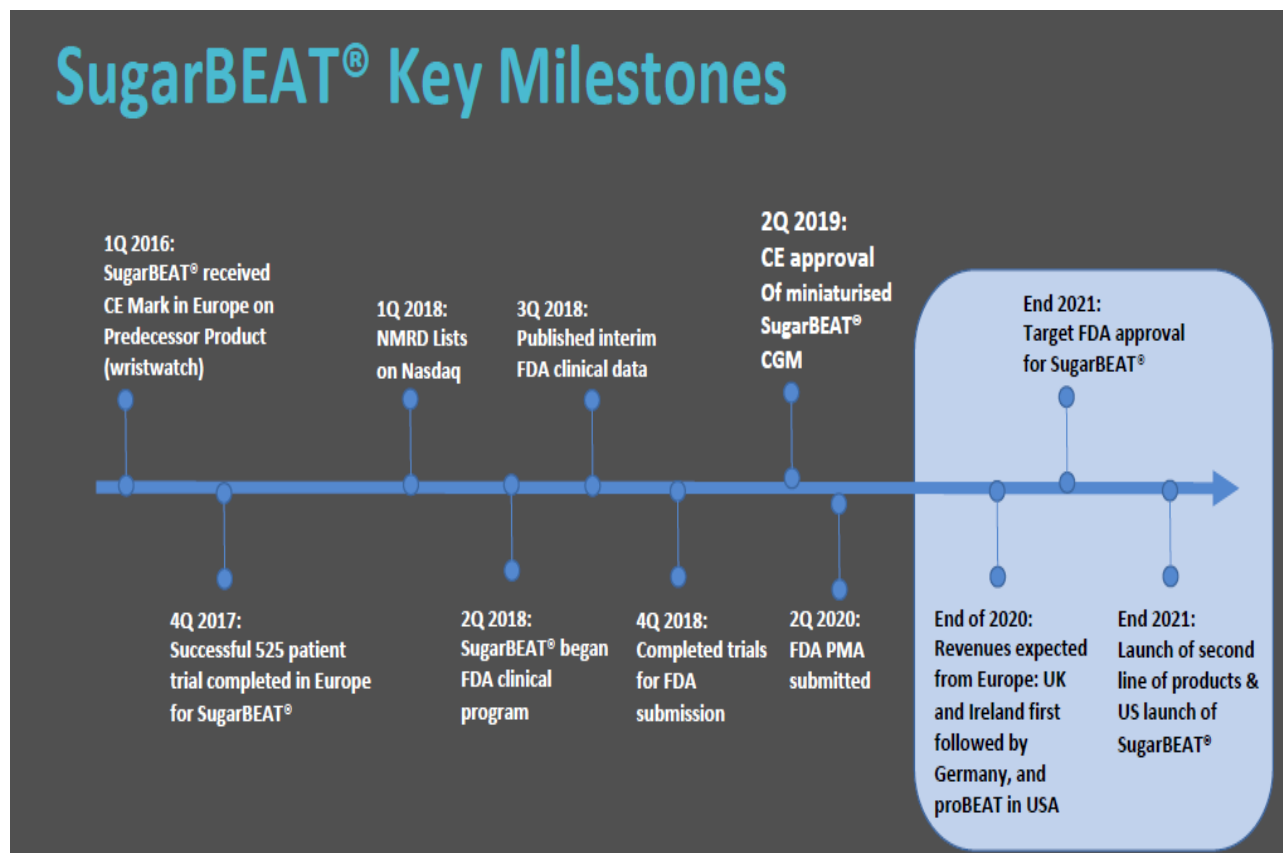
## Total Addressable Market

28,000 people diagnosed with diabetes EVERY WEEK in the U.S. alone<sup>7</sup> in a market worth nearly \$150B

UK	Germany	U.S.
4.8 million people with diabetes <sup>8</sup>	9.5 million have diabetes <sup>9</sup> .	34.2 million have diabetes <sup>6</sup>
One person diagnosed every 2 minutes	4.5 million of these 9.5 million are undiagnosed and, as a result, may be particularly at risk.	88 million people have pre-diabetes

Source: Company reports.

Exhibit 10: SugarBEAT Milestones (as of September 2020)



Source: Company reports.



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Exhibit 11: SugarBEAT Sales

## Product Positioning – Medical

**sugarBEAT® CGM sales through Licensee(s) – no further marketing spend required on Nemaura’s part thus minimizing cost of sales.**

**Support UK Licensee:** Licensee engaged in studies designed to support reimbursement from the UK government.

**Middle East:** Provisional order received subject to completion of registration in KSA, for 1.7 million sensors over 2 years.

sugarBEAT® CGM sales through Licensee(s) – no further marketing spend required on Nemaura’s part thus minimizing cost of sales.

Transmitter devices are sold at cost to the licensee (razorblade model) and the sensors at an agreed price of 12.50 Euros per box of 5 sensors in Europe and UK (falling to 10 Euros after first 12 months of market launch) and \$20 per box of 5 sensors in the USA, for sale as part of a DuoPack with diabetes medications. The implications are that the sensors will be free of charge to the end user and cost covered by the reimbursement of the drug, thus potentially allowing for rapid market penetration.

Anticipated cost of sensors is less than \$1 each, on reaching larger scale manufacture.

The names of the drugs have not been disclosed (the first of which will come off patent in Europe in Q4 2022, and in 2023 in the USA); the licensee has indicated that in three key EU territories plus the UK there are over 2.1 million prescriptions written for this category of drugs each month.

## Product Positioning – Type 2

### **Type 2 Diabetes management and reversal using BEATdiabetes program and sensors**

- Signed term sheet with Eversana who have a 6000+ salesforce, to sell the program B to B.
- Aiming for reimbursement for T2 diabetes management

Source: Company reports.

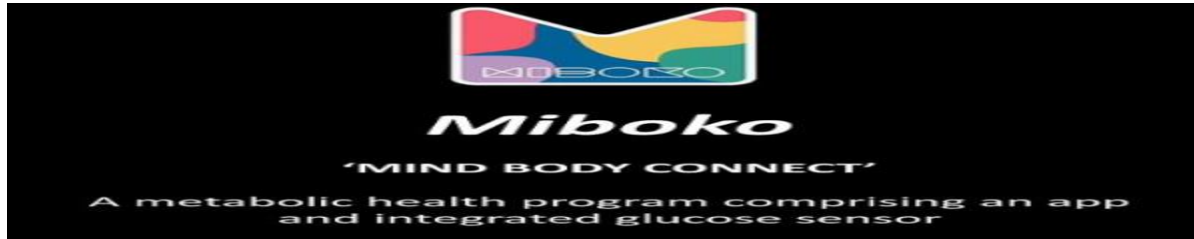
Exhibit 12: BEAT diabetes and MiBoKo



Type 2 Diabetes prevention and management program launched in the U.S.

## BEAT<sup>®</sup> diabetes – 3 Components

1. Weight loss program originally developed at the Joslin Diabetes Centre – over 12 years of clinical evidence (based on an in-clinic program, subsequently replicated using a virtual program). Sustained long term weight loss achieved without loss of muscle mass
1. proBEAT™ Intermittent glucose profiling – using world’s first daily-wearable glucose sensor, developed in-house
2. Coaching: digital 24/7 using app, and specialist 1 to 1 coaching



## MiBoKo: A Mass-Market Consumer Product

Download the app & On-board

Sensor measures metabolic health score

Receive report and weekly targets

Applicable to over 80 million people in the U.S. with prediabetes as well as general health-conscious individuals, and obesity market.



## Product Positioning – Consumer

### Metabolic health and wellbeing: Miboko app

- Phase 1 Beta running
- Piloting with NHS in UK
- Positive feedback thus far
- Aiming for reimbursement for preventative medicine/high risk persons
- Targeting partnership/collaborations in 2023

Source: Company reports.

Exhibit 13: Nemaura Medical Future Products

# Future Product Opportunities

## Leveraging the BEAT<sup>®</sup> Technology

A rich portfolio of additional products to complement existing offering and contribute to increased revenues



### CONTINUOUS LACTATE MONITORING

01

Assists in threshold maximization in performance athletes

Early identification of tissue hypoperfusion or shock for aggressive early resuscitation of critically ill patients to improve their chances of survival



### BODY TEMPERATURE MONITORING

02

Gives a more accurate and large data set. For monitoring viral infections and lower limb blood circulation tracking the effectiveness of drugs

Wearable temperature sensors market is expected to register a CAGR of 8.3% during the forecast period 2021-2026<sup>23</sup>



### ALCOHOL MONITORING

03

Support personal health goals and provide warnings prior to driving.

Provide physicians with individual's drinking habits.

Prevention of progression-to-alcohol-related disease



### DRUG MONITORING

04

Monitoring the impact of drugs and personalized treatment plan for patients.

Global therapeutic drug monitoring device market to reach \$3.37B by 2024<sup>23</sup>

Source: Company reports.

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## Exhibit 14: Q3 (December) FY24 and Recent Highlights (as of February 12, 2024)

### Business Review and Outlook

It is management's view that the Company made good progress during the nine month period ended December 31, 2023, and some of the key developments are listed as follows:

1. The Company continued to support its UK licensee with its endeavours to obtain reimbursement for the sensors in the UK.
2. Advanced development of the Company's BEATdiabetes offering in readiness for a commercial launch in due course.
3. Continued development of its consumer metabolic health platform and potential deployment as a bolt-on service into existing metabolic and wellness programs.
4. Received approval from the Saudi Arabia Food and Drug Agency for marketing of sugarBEAT in the Kingdom of Saudi Arabia (KSA), with support from the Company's licensee in the region, TP MENA.
5. Used feedback from the Company's pre-diabetes and consumer metabolic health program with the UK National Health Service, to commence plans for a commercial launch of the program in various territories with partners, in due course.

Management is working towards fulfilling the remainder of the UK licensees' initial orders and supporting MSW's UK launch plans, and for potential supplies to fulfill the provisional purchase order for the KSA from TPMENA. The company continues to also develop capabilities to develop and service new channels of business across other geographic markets via the use of our BEAT platform. To this end the company is now actively planning product launch in other territories that accept the CE mark registration. In addition, the company is seeking to exploit its product platform in the consumer space.

### Recent Developments

On October 3rd 2023 the Company allowed its FDA PMA application to lapse in favor of submitting a revised application based on a 24-hour sensor life in place of the current 14-hour sensor life, in particular in light of improvements that had been made to sensor performance and manufacture which out-date the original application. The Company has selected the Modular route for this submission.

In a traditional PMA, the applicant submits all PMA data, as outlined in 21 CFR 814.20, at the same time, regardless of when testing is completed. FDA begins its review only upon receipt of all the required information. In 1998, however, as part of CDRH's reengineering effort, FDA issued the above mentioned guidance. In these documents, FDA described a new policy whereby applicants could submit "Modular PMAs." The goal of FDA's 1998 guidance was to increase the efficiency of the PMA review process by allowing applicants to submit discrete sections (modules) of the PMA to FDA for review soon after completing the testing and analysis.


Guidance notes were revised on November 3, 2023 (<https://www.fda.gov/files/medical%20devices/published/Premarket-Approval-Application-Modular-Review---Guidance-for-Industry-and-FDA-Staff.pdf>).

In accordance with the guidelines Nemauro submitted its Proposal on October 30, 2023 and has now commenced the process of compiling the dossier for staged submission over the coming months.

Furthermore, the Company reported that it completed a 100 patient study, collecting over 30,000 glucose measurements from the sugarBEAT device paired with venous blood samples over an extended duration of 24 hours and reported interim data suggesting that 24 hour in-use sensor life was viable.

Source: Company reports.

## Exhibit 15: Future Goals




# Our Goals and What we have delivered so far..

**TARGET:** Develop sugarBEAT® a wearable device form factor (see image on left).  
**STATUS:** Complete

**TARGET:** Complete Pivotal clinical program and obtain CE approval  
**STATUS:** Complete

**TARGET:** Receive first purchase order for sugarBEAT®  
**STATUS:** Complete – 200K sensors/5K devices

**TARGET:** Receive Purchase orders for Middle East / MENA  
**STATUS:** Complete - 1.7m sensor/17K devices (provisional order pending completion of registration in KSA)



**TARGET:** Develop a a Metabolic health and diabetes management program leveraging off sensor platform  
**STATUS:** Complete: BEATdiabetes.life & Miboko.com

**TARGET:** Develop launch plans for BEAT®diabetes and Miboko.  
**STATUS:** Entered into preliminary agreement with Eversana, who have a 6000+ strong team and the required infrastructure to help take Nemaura’s programs through to large scale deployment.

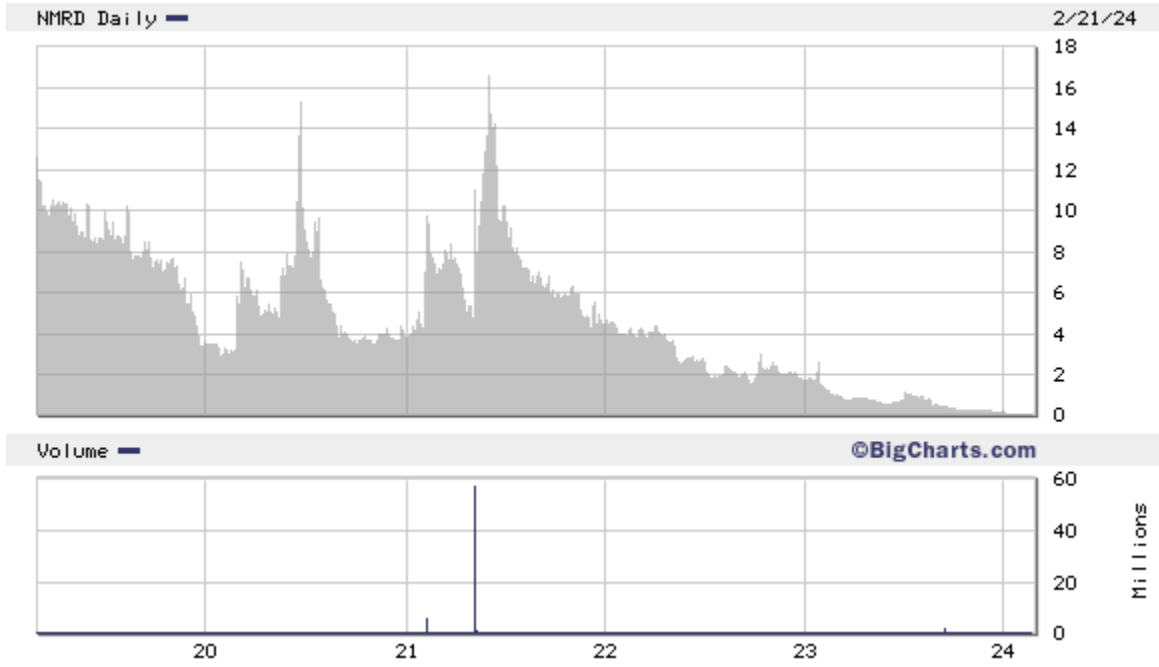
**TARGET:** Obtain FDA approval for sugarBEAT®  
**STATUS:** BIMO and GMP audits undertaken by FDA – further updates to be provided in due course.

## Future Targets

- Launch sugarBEAT® as a standalone medical device CGM sensor in UK and KSA
- Complete development of Lactate sensor and partner/license sensor for sports/personal training market
- Partner Miboko in global territories with focus on USA
- Achieve FDA PMA approval for 24-hour sugarBEAT® sensor

Source: Company reports.

Exhibit 16: Nemaura Medical Inc. Stock Price (5-years)



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

## FINANCIAL MODEL

### Nemaura Medical Inc.

Income Statement (\$ mils)	Jun-21	Sep-21	Dec-21	Mar-22	2022	Jun-22	Sep-22	Dec-22	Mar-23	2023	Jun-23	Sep-23	Dec-23	Mar-24	2024	Jun-24	Sep-24	Dec-24	Mar-25	2025
Fiscal Year End: March 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
<b>Total Revenue</b>	0.0	0.0	0.2	0.3	0.5	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.2	0.2	0.2	0.3	0.4	0.5	1.4
<u>Cost of Revenues</u>	0.0	0.0	0.2	0.2	0.3	0.0	0.1	0.0	1.5	1.6	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.4
Gross Profit	0.0	0.0	0.0	0.1	0.2	0.0	0.0	0.0	(1.5)	(1.5)	0.0	0.0	0.0	0.1	0.1	0.2	0.2	0.3	0.4	1.1
Research and development	0.3	0.3	0.4	0.6	1.6	0.3	0.3	0.4	0.6	1.5	0.5	0.5	0.3	0.4	1.7	0.5	0.5	0.5	0.5	2.0
General and administrative	1.3	1.4	1.4	2.0	6.2	1.9	2.3	0.2	1.2	5.6	1.5	1.6	1.3	1.4	5.7	1.4	1.4	1.5	1.5	5.8
Restructuring and other					0.0				1.0	1.0					0.0					0.0
Total operating expenses	1.6	1.7	1.8	2.6	7.7	2.2	2.6	0.6	2.7	8.1	2.1	2.1	1.5	1.8	7.5	1.9	1.9	2.0	2.0	7.8
<b>Operating income (loss)</b>	(1.6)	(1.7)	(1.8)	(2.4)	(7.6)	(2.2)	(2.6)	(0.6)	(4.2)	(9.6)	(2.1)	(2.1)	(1.5)	(1.7)	(7.4)	(1.8)	(1.7)	(1.7)	(1.6)	(6.8)
Interest income (expense)	(1.7)	(1.8)	(1.6)	(1.5)	(6.7)	(1.8)	(1.5)	(1.1)	(2.1)	(6.4)	(0.7)	(0.8)	(1.9)	(1.5)	(4.9)	(1.5)	(1.5)	(1.5)	(1.5)	(6.0)
Other income (expense)					0.0				1.9	1.9	0.1	1.7	1.3	0.0	3.1	0.0	0.0	0.0	0.0	0.0
Income before income taxes	(3.3)	(3.5)	(3.4)	(4.0)	(14.2)	(4.0)	(4.1)	(1.7)	(4.4)	(14.1)	(2.6)	(1.2)	(2.2)	(3.2)	(9.2)	(3.3)	(3.2)	(3.2)	(3.1)	(12.8)
Income taxes				(0.4)	(0.4)					0.0					0.0	0.0	0.0	0.0	0.0	0.0
Net income (loss)	(3.3)	(3.5)	(3.4)	(3.6)	(13.9)	(4.0)	(4.1)	(1.7)	(4.4)	(14.1)	(2.6)	(1.2)	(2.2)	(3.2)	(9.2)	(3.3)	(3.2)	(3.2)	(3.1)	(12.8)
Nonrecurring/noncash adjustments					0.0					0.0					0.0					0.0
<b>Net income (pro forma)</b>	(3.3)	(3.5)	(3.4)	(3.6)	(13.9)	(4.0)	(4.1)	(1.7)	(4.4)	(14.1)	(2.6)	(1.2)	(2.2)	(3.2)	(9.2)	(3.3)	(3.2)	(3.2)	(3.1)	(12.8)
EBITDA																				
Shares, Basic	23.1	23.3	23.3	23.8	23.4	24.1	24.1	24.1	27.2	24.9	28.9	28.9	28.9	29.1	28.9	29.0	29.2	29.4	29.6	29.3
Shares, Diluted	23.1	23.3	23.3	23.8	23.4	24.1	24.1	24.1	27.2	24.9	28.9	28.9	28.9	29.1	28.9	29.0	29.2	29.4	29.6	29.3
EPS Basic (pro forma)	(\$0.14)	(\$0.15)	(\$0.15)	(\$0.15)	(\$0.59)	(\$0.17)	(\$0.17)	(\$0.07)	(\$0.16)	(\$0.57)	(\$0.09)	(\$0.04)	(\$0.07)	(\$0.11)	(\$0.32)	(\$0.11)	(\$0.11)	(\$0.11)	(\$0.11)	(\$0.44)
EPS Diluted (pro forma)	(\$0.14)	(\$0.15)	(\$0.15)	(\$0.15)	(\$0.59)	(\$0.17)	(\$0.17)	(\$0.07)	(\$0.16)	(\$0.57)	(\$0.09)	(\$0.04)	(\$0.07)	(\$0.11)	(\$0.32)	(\$0.11)	(\$0.11)	(\$0.11)	(\$0.11)	(\$0.44)
<b>Margins</b>																				
Gross margin			6%	46%	32%	#DIV/0!	2%	2%	#DIV/0!	-1916%	#DIV/0!	#DIV/0!	#DIV/0!	50%	50%	75%	75%	75%	75%	75%
Research and development			225%	178%	309%	#DIV/0!	347%	13051%	#DIV/0!	1997%	#DIV/0!	#DIV/0!	#DIV/0!	200%	866%	250%	167%	125%	100%	143%
General and administrative			758%	631%	1225%	#DIV/0!	3134%	7943%	#DIV/0!	7269%	#DIV/0!	#DIV/0!	#DIV/0!	700%	2859%	700%	467%	375%	300%	414%
Operating margin	NM	NM	-976%	-763%	-1502%	NM	-3479%	-20992%	NM	-12454%	NM	NM	NM	-850%	-3675%	-875%	-558%	-425%	-325%	-482%
Tax rate, GAAP	0%	0%	0%	9%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net margin	NM	NM	-1869%	-1129%	-2756%	NM	-5509%	-56887%	NM	-18358%	NM	NM	NM	-1600%	-4584%	-1625%	-1058%	-800%	-625%	-911%
<b>Y/Y % change</b>																				
Total Revenue																				
Gross margin																				
Research and development	-9%	-37%	-15%	92%	0%	14%	-10%	-5%	-2%	-1%	67%	91%	-26%	-28%	13%	-9%	2%	72%	25%	15%
General and administrative	124%	85%	139%	87%	104%	41%	62%	-83%	-43%	-9%	-20%	-33%	422%	21%	2%	-7%	-10%	20%	7%	1%
Operating income (loss)	78%	40%	68%	77%	65%	36%	50%	-65%	71%	27%	-7%	-20%	143%	-59%	-23%	-15%	-18%	10%	-4%	-8%
Net income (loss)	204%	121%	137%	70%	122%	19%	17%	-50%	21%	2%	-35%	-70%	26%	-27%	-35%	25%	164%	48%	-2%	39%
EPS Diluted (pro forma)	175%	112%	133%	64%	111%	14%	13%	-52%	6%	-4%	-45%	-75%	5%	-32%	-44%	24%	161%	46%	-4%	37%

Source: Company reports and Ascendant Capital Markets estimates.

**Nemaura Medical Inc.**

Balance Sheet (\$ mils)	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
Fiscal Year End: March 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Assets</b>																
Cash and cash equivalents	31.3	26.8	23.0	17.7	14.8	10.1	7.3	10.1	4.0	1.4	0.1	0.2	(2.0)	(5.2)	(8.3)	(11.5)
Short term investments										3.0		0.0	0.0	0.0	0.0	0.0
Account receivables	0.1	0.5	0.2	0.1	0.2		0.0					0.0	0.0	0.0	0.0	0.0
Inventory	0.9	1.1	1.4	1.5	1.6	1.9	2.4	1.8	2.4	2.9	3.7	3.7	3.7	3.7	3.7	3.7
Deferred income taxes												0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other	1.8	1.4	0.5	0.8	1.1	1.9	1.2	1.7	1.1	0.8	0.6	0.6	0.6	0.6	0.6	0.6
<b>Total current assets</b>	<b>34.1</b>	<b>29.8</b>	<b>25.1</b>	<b>20.1</b>	<b>17.7</b>	<b>14.0</b>	<b>10.9</b>	<b>13.5</b>	<b>7.5</b>	<b>8.1</b>	<b>4.4</b>	<b>4.5</b>	<b>2.3</b>	<b>(1.0)</b>	<b>(4.1)</b>	<b>(7.3)</b>
Property and equipment, net	0.3	0.4	0.5	0.5	0.6	0.5	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5
Intangibles, net	1.4	1.5	1.6	1.5	1.4	1.4	1.4	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2
Deferred income tax												0.0	0.0	0.0	0.0	0.0
Other												0.0	0.0	0.0	0.0	0.0
<b>Total assets</b>	<b>35.7</b>	<b>31.6</b>	<b>27.1</b>	<b>22.1</b>	<b>19.7</b>	<b>15.9</b>	<b>13.0</b>	<b>14.6</b>	<b>8.5</b>	<b>8.9</b>	<b>5.2</b>	<b>5.2</b>	<b>3.0</b>	<b>(0.2)</b>	<b>(3.4)</b>	<b>(6.5)</b>
<b>Liabilities and stockholders' equity</b>																
Accounts payable	0.1	0.2	0.2	0.1	0.1	0.3	0.2	0.3	0.3	0.4	0.4	0.6	1.6	1.6	1.6	1.6
Related parties						0.1		0.9	0.3	0.1	0.8	0.8	0.8	0.8	0.8	0.8
Accrued expenses								0.1				0.0	0.0	0.0	0.0	0.0
Deferred income tax												0.0	0.0	0.0	0.0	0.0
Other	0.5	0.6	0.6	1.0	1.5	2.6	1.5	3.8	4.0	2.2	1.0	1.0	1.0	1.0	1.0	1.0
Deferred revenue	0.6	0.6	0.5	0.3	0.2	0.1	0.1	0.1	0.1	1.1	1.2	1.2	1.2	1.2	1.2	1.2
Short term debt	11.1	15.8	14.9	19.2	16.2	17.4	11.5	16.9	17.0	17.6	19.6	19.6	19.6	19.6	19.6	19.6
<b>Total current liabilities</b>	<b>12.4</b>	<b>17.2</b>	<b>16.1</b>	<b>20.6</b>	<b>17.9</b>	<b>20.5</b>	<b>13.2</b>	<b>22.3</b>	<b>21.7</b>	<b>21.4</b>	<b>23.0</b>	<b>23.2</b>	<b>24.2</b>	<b>24.2</b>	<b>24.2</b>	<b>24.2</b>
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												0.0	0.0	0.0	0.0	0.0
Deferred revenue				1.1								0.0	0.0	0.0	0.0	0.0
Long term debt	14.0	8.8	8.7		4.7	3.5	8.6	3.1	0.1	3.4		0.0	0.0	0.0	0.0	0.0
<b>Total other liabilities</b>	<b>15.3</b>	<b>10.0</b>	<b>9.9</b>	<b>1.1</b>	<b>5.7</b>	<b>4.4</b>	<b>9.6</b>	<b>4.1</b>	<b>1.2</b>	<b>3.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Preferred stock												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	0.0	0.0	0.0	0.0	0.0
Additional paid-in capital	35.0	35.0	35.1	38.3	38.3	38.3	38.3	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0
Retained earnings	(27.2)	(30.7)	(34.1)	(37.7)	(41.7)	(45.8)	(47.2)	(51.9)	(54.5)	(55.7)	(57.8)	(61.0)	(64.3)	(67.5)	(70.7)	(73.8)
Accumulated other comprehensive in	0.1	0.0	(0.0)	(0.1)	(0.6)	(1.5)	(1.0)	(1.0)	(0.9)	(1.2)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)
Other												3.0	3.0	3.0	3.0	3.0
<b>Total stockholders' equity</b>	<b>8.0</b>	<b>4.4</b>	<b>1.0</b>	<b>0.5</b>	<b>(4.0)</b>	<b>(9.0)</b>	<b>(9.9)</b>	<b>(11.8)</b>	<b>(14.4)</b>	<b>(15.9)</b>	<b>(17.8)</b>	<b>(18.0)</b>	<b>(21.3)</b>	<b>(24.5)</b>	<b>(27.7)</b>	<b>(30.8)</b>
<b>Total stockholders' equity and liabil</b>	<b>35.7</b>	<b>31.6</b>	<b>27.1</b>	<b>22.1</b>	<b>19.7</b>	<b>15.9</b>	<b>13.0</b>	<b>14.6</b>	<b>8.5</b>	<b>8.9</b>	<b>5.2</b>	<b>5.2</b>	<b>3.0</b>	<b>(0.2)</b>	<b>(3.4)</b>	<b>(6.5)</b>

**Balance Sheet Drivers**

	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
Book & Cash Value (per share)	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
Book Value per Share (diluted)	0.34	0.19	0.04	0.02	(0.16)	(0.37)	(0.41)	(0.43)	(0.50)	(0.55)	(0.62)	(0.62)	(0.73)	(0.84)	(0.94)	(1.04)
Cash per Share (diluted)	1.35	1.15	0.99	0.75	0.61	0.42	0.30	0.37	0.14	0.15	0.00	0.01	(0.07)	(0.18)	(0.28)	(0.39)
Net cash per Share (diluted)	0.26	0.09	(0.02)	(0.06)	(0.25)	(0.45)	(0.53)	(0.36)	(0.45)	(0.57)	(0.67)	(0.67)	(0.75)	(0.85)	(0.95)	(1.05)

Source: Company reports and Ascendant Capital Markets estimates



**Nemaura Medical Inc.**

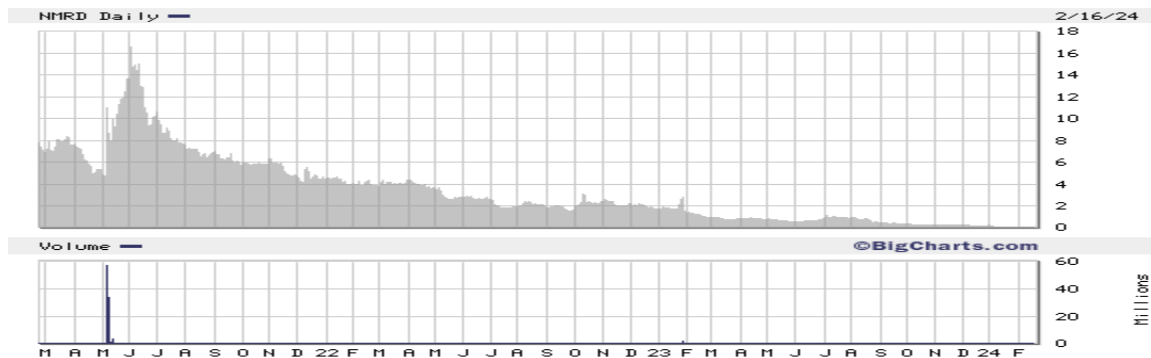
Cash Flow Statement (\$ mils)	Jun-21	Sep-21	Dec-21	Mar-22	2022	Jun-22	Sep-22	Dec-22	Mar-23	2023	Jun-23	Sep-23	Dec-23	Mar-24	2024	Jun-24	Sep-24	Dec-24	Mar-25	2025	
Fiscal Year End: March 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
<b>Cash flow from operating activities</b>																					
Net income	(3.3)	(3.5)	(3.4)	(3.6)	(13.9)	(4.0)	(4.1)	(1.4)	(4.7)	(14.1)	(2.6)	(1.2)	(2.2)	(3.2)	(9.2)	(3.3)	(3.2)	(3.2)	(3.1)	(12.8)	
Depreciation	0.0	0.0	0.1	0.1	0.2	0.1	0.1	0.1	0.2	0.4	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.1	0.1	0.3	
Amortization					0.0					0.0					0.0					0.0	
Debt related amortization expen	1.7	1.8	1.6	1.5	6.7	1.8	1.5	0.9	2.3	6.4	0.7	(0.1)	1.7		2.3					0.0	
Stock comp				0.2	0.2					0.0				0.0	0.0				0.0	0.0	
Deferred income taxes					0.0					0.0					0.0				0.0	0.0	
Change in fair value of warrant liability					0.0				(1.9)	(1.9)	0.1	(1.9)	(1.3)		(3.1)					0.0	
Writedowns and impairments					0.0				2.5	2.5		0.1			0.1					0.0	
F/X gains/losses		0.3	(0.1)	0.2	0.4	0.6	1.1	(1.1)	(0.3)	0.3	(0.2)	0.2			0.0					0.0	
Other gains/losses					0.0					0.0					0.0					0.0	
Other					0.0					0.0				3.0	3.0					0.0	
Changes in operating assets and liabilities:																					
Prepaid expenses & other curre	(0.6)	0.5	0.9	(0.3)	0.5	(0.4)	(0.8)	0.7	0.4	(0.0)	0.6	0.3	0.2	0.0	1.1	0.0	0.0	0.0	0.0	0.0	
Inventory	(0.0)	(0.2)	(0.3)	(0.1)	(0.6)	(0.1)	(0.3)	(0.4)	(0.9)	(1.7)	(0.6)	(0.7)	(0.8)	0.0	(2.0)	0.0	0.0	0.0	0.0	0.0	
Other assets					0.0			0.1	(1.0)	(0.9)				0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Accounts payable	(0.1)	0.0	0.0	(0.0)	(0.1)	(0.0)	0.2	(0.1)	0.2	0.2	(0.1)	0.2	(0.1)	0.2	0.3	1.0	0.0	0.0	0.0	1.0	
Accrued expenses	0.1	0.0	0.1	0.0	0.3				(0.4)	(0.4)	0.1	(0.1)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Deferred revenue	0.5	(0.0)	(0.2)	(0.3)	0.0	(0.1)	(0.2)	(0.0)	0.1	(0.2)				0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other liabilities		(0.7)	0.4	0.1	(0.3)	(0.2)	0.3	(0.2)	1.2	1.0	(0.6)	(0.2)	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Net cash (used in) provided by</b>	<b>(1.7)</b>	<b>(1.8)</b>	<b>(0.9)</b>	<b>(2.2)</b>	<b>(6.5)</b>	<b>(2.4)</b>	<b>(2.2)</b>	<b>(1.5)</b>	<b>(2.4)</b>	<b>(8.5)</b>	<b>(2.5)</b>	<b>(3.2)</b>	<b>(1.5)</b>	<b>0.1</b>	<b>(7.1)</b>	<b>(2.2)</b>	<b>(3.1)</b>	<b>(3.1)</b>	<b>(3.0)</b>	<b>(11.4)</b>	
<b>Cash flow from investing activities</b>																					
Purchases of property and equip	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.0)	(0.2)	(0.1)	(0.1)	(0.4)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.1)	(0.0)	(0.1)	(0.3)	
Purchases of short-term investments					0.0					0.0					0.0					0.0	
Acquisitions	(0.3)	(0.1)	(0.0)	0.1	(0.4)	(0.2)	0.2	0.0	0.0	0.0				0.0	0.0					0.0	
Other	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.2)	0.0	(0.2)	0.0	(0.2)				0.0	0.0					0.0	
<b>Net cash used in investing acti</b>	<b>(0.4)</b>	<b>(0.3)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(1.0)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.5)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>(0.1)</b>	<b>(0.3)</b>	
<b>Cash flow from financing activities</b>																					
Issuance of debt					0.0	4.7				4.7		6.5		0.0	6.5	0.0	0.0	0.0	0.0	0.0	
Repayment of debt	(1.5)	(2.3)	(2.7)	(5.9)	(12.4)	(4.8)	(1.5)	(1.7)	(2.3)	(10.3)	(3.6)	(2.6)	(3.0)		(9.2)					0.0	
Issuance of stock				3.1	3.1			0.0	7.7	7.7				0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Proceeds from stock option exe	3.0		0.1	(0.1)	3.0					0.0				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	
<b>Cash provided by (used in) fina</b>	<b>1.5</b>	<b>(2.3)</b>	<b>(2.6)</b>	<b>(2.9)</b>	<b>(6.4)</b>	<b>(0.1)</b>	<b>(1.5)</b>	<b>(1.7)</b>	<b>5.4</b>	<b>2.1</b>	<b>(3.6)</b>	<b>3.9</b>	<b>(3.0)</b>	<b>0.0</b>	<b>(2.7)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	
Effect of exchange rate on cash	0.0	(0.1)	(0.1)	(0.1)	(0.3)	(0.3)	(0.8)	0.5	(0.1)	(0.7)	0.1	(0.3)	0.2		(0.0)					0.0	
<b>Net increase (decrease) in cash</b>	<b>(0.6)</b>	<b>(4.5)</b>	<b>(3.7)</b>	<b>(5.3)</b>	<b>(14.1)</b>	<b>(3.0)</b>	<b>(4.6)</b>	<b>(2.8)</b>	<b>2.8</b>	<b>(7.6)</b>	<b>(6.1)</b>	<b>0.4</b>	<b>(4.2)</b>	<b>0.1</b>	<b>(9.9)</b>	<b>(2.2)</b>	<b>(3.2)</b>	<b>(3.2)</b>	<b>(3.2)</b>	<b>(11.7)</b>	
<b>Beginning cash and equivalents</b>	<b>32.2</b>	<b>31.6</b>	<b>27.1</b>	<b>23.4</b>	<b>32.2</b>	<b>17.7</b>	<b>14.8</b>	<b>10.1</b>	<b>7.3</b>	<b>17.7</b>	<b>10.1</b>	<b>4.0</b>	<b>4.4</b>	<b>0.1</b>	<b>10.1</b>	<b>0.2</b>	<b>(2.0)</b>	<b>(5.2)</b>	<b>(8.3)</b>	<b>0.2</b>	
<b>Ending cash and equivalents</b>	<b>31.6</b>	<b>27.1</b>	<b>23.4</b>	<b>18.1</b>	<b>18.1</b>	<b>14.8</b>	<b>10.1</b>	<b>7.3</b>	<b>10.1</b>	<b>10.1</b>	<b>4.0</b>	<b>4.4</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>(2.0)</b>	<b>(5.2)</b>	<b>(8.3)</b>	<b>(11.5)</b>	<b>(11.5)</b>	

Source: Company reports and Ascendant Capital Markets estimates

## ANALYST CERTIFICATION

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## Nemaura Medical Inc.



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

	Report Date		Price
Report	Date	Rating	Target
1	6/20/2019	Buy	32.50
2	8/26/2019	Buy	32.50
3	4/26/2020	Buy	14.00
4	2/18/2021	Buy	15.00
5	7/11/2021	Buy	17.00
6	8/27/2021	Buy	18.00
7	11/20/2021	Buy	19.00
8	3/20/2022	Buy	17.00
9	9/20/2022	Buy	14.00
10	11/23/2022	Buy	13.00
11	3/29/2023	Buy	10.00
12	9/6/2023	Buy	8.50
13	12/15/2023	Buy	3.50

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**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 January 15, 2024)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	52	98%	20	38%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	53	100%	20	38%

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