

Heart Test Laboratories, Inc.

Heart Test Q4 FY2023 results slightly ahead due to lower expenses. Balance Sheet strengthened, business is on track. Raising PT to \$3.70.

United States
Healthcare

August 3, 2023

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COMPANY UPDATE

Rating: BUY

Ticker: HSCS

Price: \$0.90

Target: \$3.70
(from \$3.50)

Q4 FY23 slightly better than expected: Q3 EPS came in at \$(0.17), versus our and consensus estimate of \$(0.18). Total operating expenses for the quarter came in at \$1.6 million, versus our estimate of \$1.8 million. FY23 EPS came in at \$(0.80), compared to our estimate of \$(0.79). No forward guidance was provided.

Adjusting estimates: Given a slightly lower run-rate of operating expenses, as well as expanded share count from equity offerings, we are adjusting our EPS estimates going forward. Our new FY24 estimate is \$(0.52), versus \$(0.91) previously and consensus of \$(1.04). Our new FY25 estimate is \$(0.56), versus \$(0.88) previously and consensus of \$(1.48). Our FY24 and FY25 revenue estimates of \$0.4 million and \$5.4 million are unchanged.

Registration to sell up to \$8 million of new common stock adds significantly to Heart Sciences' liquidity resources: On June 7, the company filed an S-1 to issue up to 8 million new shares, with timing still to be determined. This, combined with the previously announced 3-year equity purchase agreement with the Lincoln Park Capital Fund should provide up to \$9 million of additional equity capital, assuming the share price stays at or near current levels. Given a projected annual cash burn rate of approximately \$8 million, Heart Test has in place the financing it needs complete the De Novo resubmission for its flagship MyoVista product and enter the commercial marketing phase for the product.

De Novo resubmission study on track: The company continues to report progress with its validation study for De Novo resubmission, with enrollment completed and device testing underway, putting the company on track for resubmission in calendar 2023. Once the De Novo application is resubmitted, the company is likely to receive clearance to begin marketing the MyoVista, an event that should be very positive for the stock.

Clinical deployment of flagship MyoVista ECGs underway in Denmark: On July 27, Heart Test announced that its key product, the MyoVista will be entering clinical use for early detection of heart disease at the Naya Imaging Center in Hvidovre, Denmark. We believe this highlights the real-world opportunity to save lives and reduce medical costs provided by the MyoVista.

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 add early diagnosis of heart diseases to an ECG machine is the clever application of machine-learning algorithms which interpret the signals from the ECG to detect anomalies in left ventricle function. Heart Sciences has spent years developing the AI to do this, in partnership with Rutgers University, giving it an IP 'moat' against potential competitors.

Raising price target to \$3.70: We are raising our 12-month price target to \$3.70 from \$3.50 to reflect increasing confidence in Heart Test's progress. Our target is based on a NPV analysis, representing more than 300% 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: | \$0.71-6.00 |
| Shares Outstanding (million): | 10.4 |
| Market cap (\$million): | \$9.4 |
| EV (\$million): | \$8.7 |
| Debt (\$million): | \$1.0 |
| Cash (\$million): | \$1.7 |
| Avg. Daily Trading Vol (\$ millions): | \$0.7 |
| Float (million shares): | 8.2 |
| Short Interest (thousand shares): | 87.6 |
| Dividend, annual (yield): | NA |

Revenues (US\$ million)

| | 2024E (Cur.) | 2024E (Old.) | 2025E (Cur.) | 2025E (Old.) |
|--------|-----------------|-----------------|-----------------|-----------------|
| Q1 Jul | 0.0E | | 0.6E | |
| Q2 Oct | 0.0E | | 1.0E | |
| Q3 Jan | 0.1E | | 1.6E | |
| Q4 Apr | 0.3E | | 2.2E | |
| Total | 0.4E | | 5.4E | |
| EV/Rev | 22x | | 1.6x | |

Earnings per Share (pro forma)

| | 2024E (Cur.) | 2024E (Old.) | 2024E (Cur.) | 2024E (Old.) |
|--------|-----------------|-----------------|-----------------|-----------------|
| Q1 Jul | (0.14)E | (0.21)E | (0.15)E | (0.24)E |
| Q2 Oct | (0.11)E | (0.23)E | (0.14)E | (0.22)E |
| Q3 Jan | (0.13)E | (0.24)E | (0.14)E | (0.22)E |
| Q4 Apr | (0.13)E | (0.24)E | (0.13)E | (0.20)E |
| Total | \$(0.52)E | \$(0.91)E | \$(0.56)E | \$(0.88)E |
| 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 July 19) reported its Q3 FY23 (ending April) results.
- EPS was \$(0.17), compared to our and consensus estimate of \$(0.18).
- FY23 EPS was \$(0.80), compared to our estimate of \$(0.79).
- Operating expenses came in at \$1.6 million versus our estimate of \$1.8 million. The prior quarter compare was \$1.3 million.
- There was no Q4 guidance for future periods.
- We are raising FY24 and FY25 EPS estimates to \$(0.52) and \$(0.56), from \$(0.91) and \$(0.88) due primarily to anticipated higher share count from future equity offerings.

ADDITIONAL DETAILS

- On June 7, 2023, the company filed a registration statement to sell up to 8 million new shares, giving it ample liquidity for the next 4-6 quarters.
- In May the company announced the completion of enrollment for its pivotal validation study for De Novo resubmission.
- In its Q4 FY23 update, the company affirmed that it is still targeting FDA De Novo resubmission in calendar 2023, assuming positive results of its validation study.
- We continue to model first revenues for the MyoVista beginning in Jan FY24.
- On July 27, the company announced that its key product, the MyoVista will be entering clinical use for early detection of heart disease at the Naya Imaging Center in Hvidovre, Denmark.

The company's balance sheet had \$1.7 million in cash and \$1 million in debt, compared with \$1.9 million in cash and \$1.1 million in debt at the end of January. On June 7, 2023, the company filed a registration statement to sell up to 8 million new shares, which would net the company \$7.2 million if sold, based on an assumed offering price of \$1.00 per share. No date has been set for the offering. This new equity funding is incremental to a purchase agreement with Lincoln Park Capital, under which the company may still sell up to 1.2 million shares. Given a projected burn rate of about \$2 million per quarter and access to over \$9 million in new equity financing, the company appears well-positioned to fund its operating activities well into calendar 2024.

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.

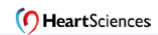


MyoVista® Wavelet ECG

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

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

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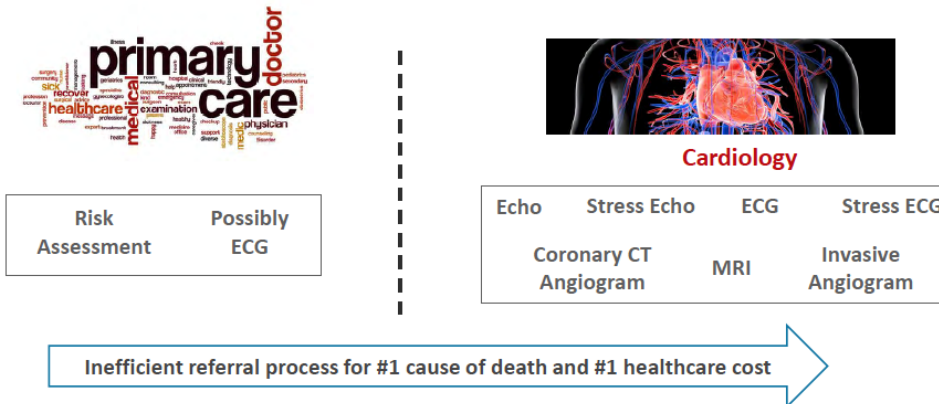


Source: Company Reports

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

Sensitivity 94%
Specificity 70%

Borderline

Limited number of patients

Positive

Sensitivity 81%
Specificity 92%

Highly Positive

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.

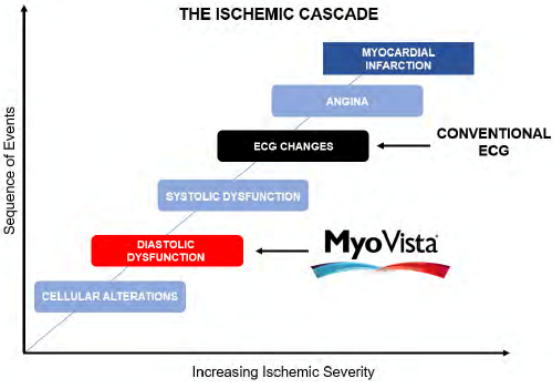
Note: The results of the prior validation study will not be considered by the FDA in the next submission and should not be used to predict the results of our new validation study which could be materially different. Further algorithm development has been taking place since the prior submission together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

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

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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

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Source: Company Reports

Exhibit 8: Heart Test Laboratories, Inc. Clinical Studies

MyoVista Technology Clinical Studies

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

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.

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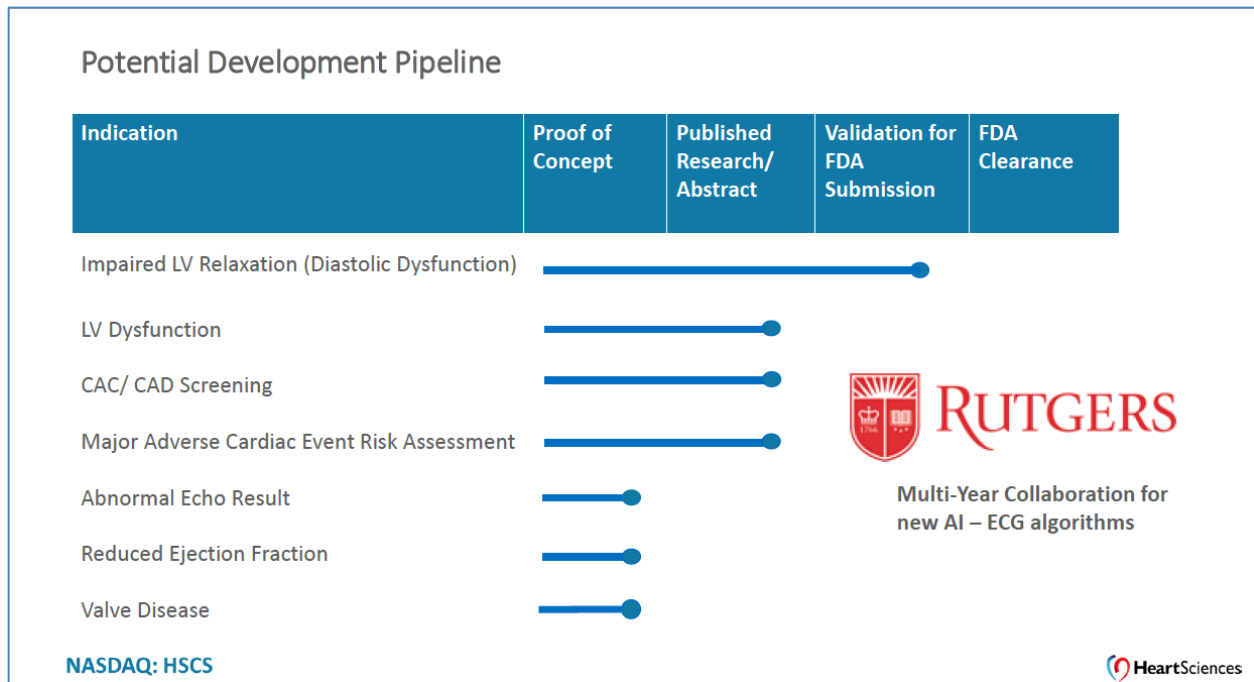
Source: Company Reports

Exhibit 11: Heart Test Laboratories, Inc. Regulatory Milestones



Source: Company Reports

Exhibit 12: Heart Test Laboratories, Inc. Development Pipeline



Source: Company Reports

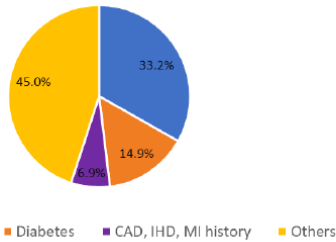
Exhibit 13: ECG Market Size

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.

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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

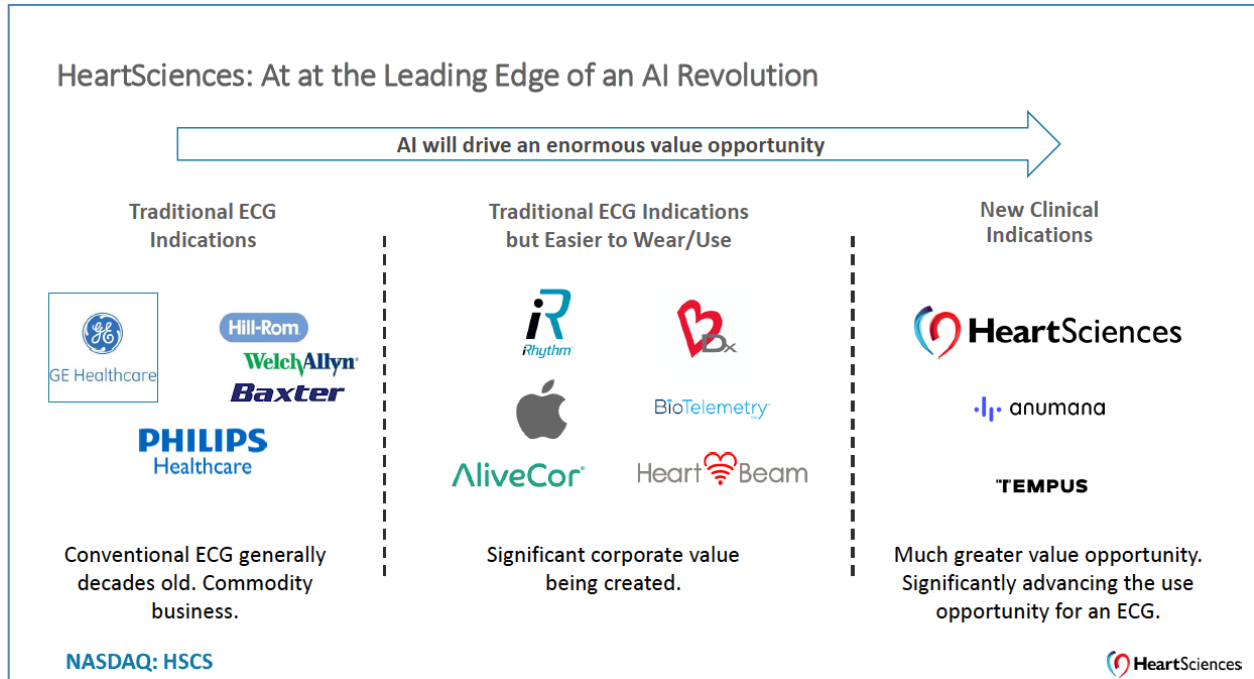
AI algorithm - easy to interpret information
Provides all conventional ECG information in a single test
Limited training required – uses existing 12- lead resting ECG protocols

NASDAQ: HSCS



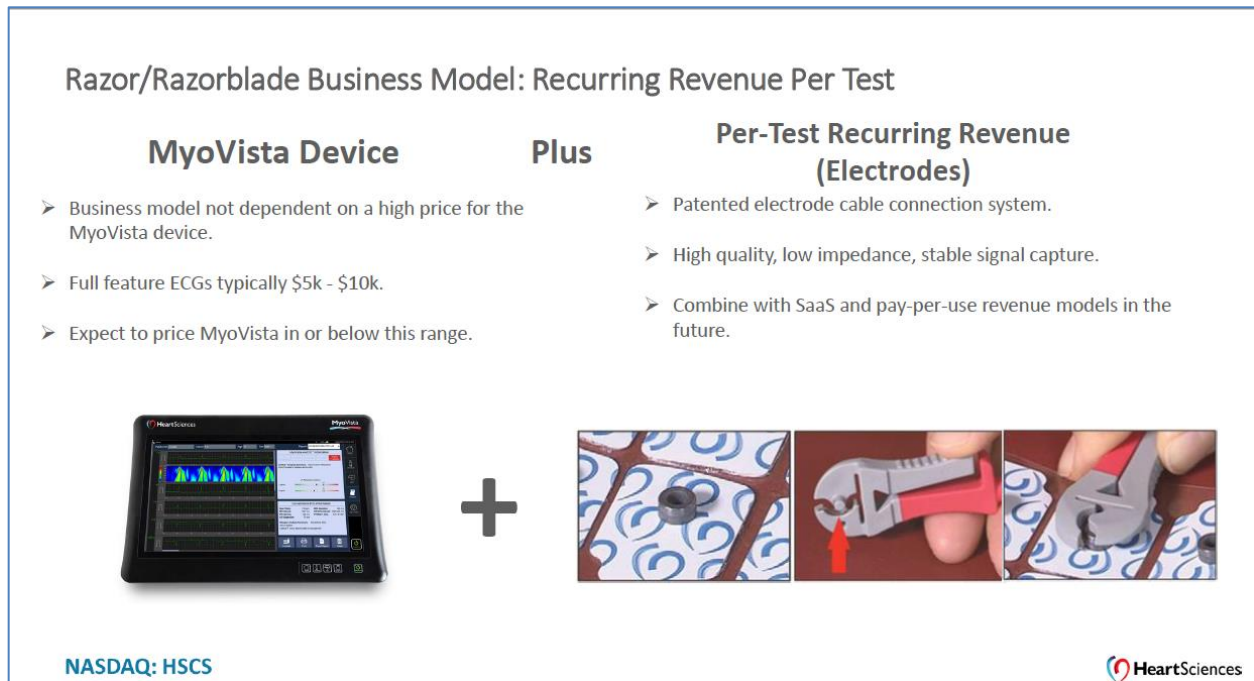
Source: Company Reports

Exhibit 15: Heart Test Laboratories, Inc. Competitive Landscape



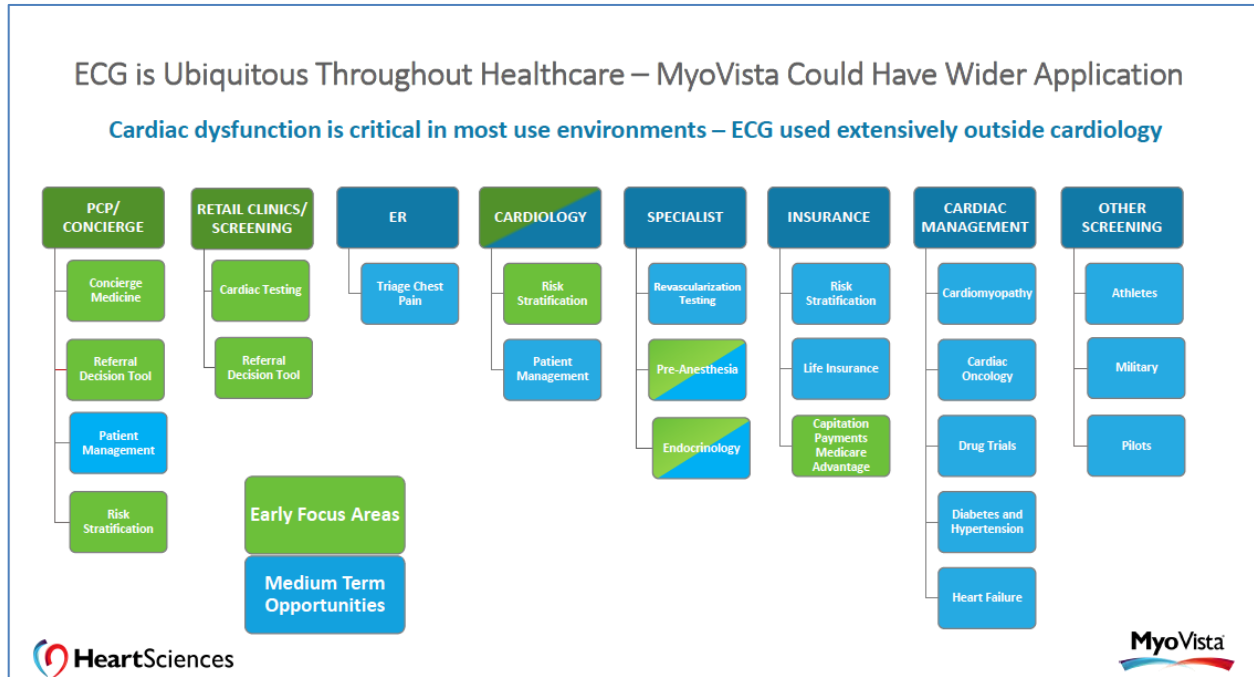
Source: Company Reports

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

| | | | | |
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| <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"> ➢ Peel Group CEO – c. \$8 billion of assets. ➢ Speedy Hire Plc Main Board Director and Division MD – Company joined FTSE 250 during that time. ➢ Rothschild - Investment Banker. ➢ Price Waterhouse - Chartered Accountant. | <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"> ➢ INX CEO/Founder - Technology consulting, revenue \$400m NASDAQ listed with multiple public offerings. Sold in 2011. ➢ PCSS CEO/Founder – Tech logistics outsourcing, revenue \$160m; NASDAQ listed, multiple public offerings. ➢ HCP CEO/Founder - Technology product distributor \$10m in revenue. Sold - 1988. | <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"> ➢ Over 15 years of accounting in both the public accounting and private sector. ➢ Extensive public accounting experience in preparation and audit of with public company filings including 10Ks, 10-Qs, 8-Ks, and other registration statements. ➢ Certified Public Accountant. ➢ Master of Science in Accounting from University of Texas at Arlington. ➢ Bachelors Degree in Accounting from Texas Christian University. | <div style="background-color: #0070c0; color: white; padding: 5px; text-align: center; font-weight: bold;">Aaron Peterson <i>VP R&D</i></div> <ul style="list-style-type: none"> ➢ 25 years of Engineering and product development in the areas of Cardiac Rhythm Management, Neurostimulation and electrocardiography-based devices. ➢ St Jude Medical - Director of Systems Engineering. ➢ Boston Scientific - Manager R&D. ➢ Master's Degree in Computer Science from Utah State University. | <div style="background-color: #0070c0; color: white; padding: 5px; text-align: center; font-weight: bold;">Carol Krieger <i>VP Clinical & Regulatory</i></div> <ul style="list-style-type: none"> ➢ 30 years of clinical and regulatory experience including over 100 FDA submissions. ➢ Becton Dickenson - Director of Clinical QA and Compliance. ➢ Bio Connect VP of Clinical Ops ➢ Alfa Wasserman - VP Quality and Regulatory ➢ MS Jurisprudence Seton Hall University. ➢ MBA, Montclair State University. ➢ BS Degree Rutgers University. |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Source: Company Reports

Exhibit 20: HSCS Consensus Expectations

| | Revenue (\$ million) | | EPS | | |
|--------------|----------------------|---------------|--------------|------------------|------------------|
| | FY2024E | FY2025E | FY2024E | FY2025E | |
| Q1 Jul | \$0.00 | \$0.51 | Q1 Jul | \$(0.18)E | \$(0.36)E |
| Q2 Oct | \$0.00 | \$1.07 | Q2 Oct | \$(0.19)E | \$(0.35)E |
| Q3 Jan | \$0.11 | \$1.98 | Q3 Jan | \$(0.32)E | \$(0.39)E |
| Q4 Apr | \$0.28 | \$3.01 | Q4 Apr | \$(0.36)E | \$(0.38)E |
| Total | \$0.39 | \$6.58 | Total | \$(1.04)E | \$(1.48)E |

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

Source: Company reports, SeekingAlpha.com, Yahoo Finance, 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 Q1E | 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 |
|--------------------------------------------------------------------|--------------|--------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|--------------|
| Total revenue | 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 |
| Gross profit (loss) | 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 |
| Operating expenses | | | | | | | | | | | | | | | | | |
| Research and development | 1.7 | 3.0 | 0.4 | 0.8 | 0.6 | 0.5 | 2.5 | 0.5 | 0.5 | 0.8 | 0.8 | 2.6 | 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 | 1.0 | 1.2 | 1.3 | 1.4 | 4.9 | 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 | 1.5 | 1.7 | 2.1 | 2.2 | 7.5 | 2.7 | 2.7 | 3.0 | 3.2 | 11.6 |
| Loss from operations | (2.6) | (4.7) | (1.4) | (1.8) | (1.3) | (1.6) | (6.1) | (1.5) | (1.7) | (2.1) | (2.0) | (7.3) | (2.4) | (2.2) | (2.1) | (2.0) | (8.6) |
| Other income (expense) | | | | | | | | | | | | | | | | | |
| 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) | (1.5) | (1.7) | (2.1) | (2.0) | (7.3) | (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 |
| Net loss | (2.5) | (4.8) | (1.6) | (1.8) | (1.3) | (1.6) | (6.4) | (1.5) | (1.7) | (2.1) | (2.0) | (7.3) | (2.4) | (2.2) | (2.1) | (2.0) | (8.6) |
| Nonrecurring/noncash adjustments | | | | | | | | | | | | | | | | | |
| Net income (pro forma) | (2.5) | (4.8) | (1.6) | (1.8) | (1.3) | (1.6) | (6.4) | (1.5) | (1.7) | (2.1) | (2.0) | (7.3) | (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) | (1.5) | (1.7) | (2.0) | (2.0) | (7.3) | (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 | 10.4 | 15.4 | 15.4 | 15.4 | 14.1 | 15.4 | 15.4 | 15.4 | 15.4 | 15.4 |
| Shares, Diluted | 3.3 | 3.3 | 5.6 | 8.2 | 8.2 | 9.7 | 8.0 | 10.4 | 15.4 | 15.4 | 15.4 | 14.1 | 15.4 | 15.4 | 15.4 | 15.4 | 15.4 |
| EPS Basic | \$ (0.74) | \$ (1.45) | \$ (0.28) | \$ (0.22) | \$ (0.16) | \$ (0.17) | \$ (0.80) | \$ (0.14) | \$ (0.11) | \$ (0.13) | \$ (0.13) | \$ (0.52) | \$ (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) | \$ (0.14) | \$ (0.11) | \$ (0.13) | \$ (0.13) | \$ (0.52) | \$ (0.15) | \$ (0.14) | \$ (0.14) | \$ (0.13) | \$ (0.56) |
| Margins | | | | | | | | | | | | | | | | | |
| 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 | 650% | 200% | 120% | 81% | 59% | 93% |
| Selling, general and administrative | 3416% | 11928% | NM | NM | NM | NM | NM | NM | NM | NM | NM | 1225% | 250% | 150% | 106% | 86% | 122% |
| Operating margin | -10044% | -32766% | NM | NM | NM | NM | NM | NM | NM | NM | NM | -1824% | -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 | -1824% | -396% | -216% | -132% | -89% | -159% |
| Y/Y % change | | | | | | | | | | | | | | | | | |
| 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% | 15% | -41% | 24% | 50% | 6% | 10% | 10% | 10% | 10% | 92% |
| Selling, general and administrative | -51% | 96% | 262% | 125% | 65% | 70% | 113% | 0% | 30% | 95% | 32% | 34% | 8% | 8% | 8% | 8% | 35% |
| Total operating expenses | -33% | 82% | 112% | 85% | 19% | -19% | 30% | 5% | -4% | 60% | 38% | 23% | 80% | 59% | 43% | 45% | 55% |
| Operating Income | -33% | 83% | 112% | 85% | 19% | -19% | 30% | 5% | -4% | 57% | 28% | 19% | 58% | 27% | 3% | -4% | 18% |
| Net income | -35% | 97% | 214% | 75% | 8% | -20% | 32% | -5% | -6% | 53% | 25% | 15% | 58% | 27% | 3% | -4% | 18% |
| EPS | -36% | 97% | 85% | -29% | -56% | -73% | -45% | -48% | -50% | -18% | -21% | -35% | 7% | 27% | 3% | -4% | 8% |

Source: Company reports, Ascendant Capital Markets estimates

Input in Blue

| 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 Q1E | 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 |
|--------------------------------------------------------------------|--------------|--------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|--------------|
| Total revenue | 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 |
| Loss from operations | (2.6) | (4.7) | (1.4) | (1.8) | (1.3) | (1.6) | (6.1) | (1.5) | (1.7) | (2.1) | (2.0) | (7.3) | (2.4) | (2.2) | (2.1) | (2.0) | (8.6) |
| Net loss | (2.5) | (4.8) | (1.6) | (1.8) | (1.3) | (1.6) | (6.4) | (1.5) | (1.7) | (2.1) | (2.0) | (7.3) | (2.4) | (2.2) | (2.1) | (2.0) | (8.6) |
| EPS Diluted | (0.74) | (1.45) | (0.28) | (0.22) | (0.16) | (0.17) | (0.80) | (0.14) | (0.11) | (0.13) | (0.13) | (0.52) | (0.15) | (0.14) | (0.14) | (0.13) | (0.56) |
| Net cash used in operating activities | (2.5) | (3.6) | (1.8) | (1.1) | (1.0) | (1.9) | (5.8) | (2.1) | (1.7) | (2.0) | (2.0) | (7.9) | (2.3) | (2.1) | (2.0) | (1.9) | (8.3) |

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 | Q1E | Q2E | Q3E | Q4E | Q1E | Q2E | Q3E | Q4E |
| Current assets | | | | | | | | | | | | | | |
| Cash | 0.7 | 0.9 | 4.3 | 3.1 | 1.9 | 1.7 | 0.2 | 3.5 | 1.5 | (0.5) | (2.8) | (4.9) | (6.9) | (8.8) |
| 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 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Deferred offering Costs | 0.0 | 0.2 | 0.0 | 0.0 | 0.0 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| 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 |
| Total current assets | 1.6 | 1.9 | 5.4 | 4.1 | 2.9 | 2.7 | 1.3 | 4.6 | 2.6 | 0.5 | (1.8) | (3.9) | (5.9) | (7.8) |
| 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 |
| Total assets | 1.9 | 2.1 | 5.6 | 4.8 | 3.5 | 3.3 | 1.9 | 5.2 | 3.1 | 1.1 | (1.3) | (3.4) | (5.4) | (7.3) |
| Liabilities and Stockholders' Equity | | | | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | | | | |
| Accounts payable | 0.3 | 0.7 | 0.5 | 0.8 | 1.0 | 0.6 | 0.0 | 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 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Current Liabilities | 0.0 | 0.0 | 0.4 | 0.3 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total current liabilities | 1.1 | 3.5 | 1.5 | 3.1 | 2.0 | 1.8 | 1.2 | 1.2 | 1.2 | 1.2 | 1.3 | 1.4 | 1.4 | 1.5 |
| 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 |
| Total liabilities | 3.8 | 8.1 | 2.7 | 3.7 | 3.7 | 3.1 | 2.4 | 2.4 | 2.5 | 2.5 | 2.5 | 2.6 | 2.7 | 2.7 |
| Stockholders' Equity | | | | | | | | | | | | | | |
| Convertible Preferred Stock | | | | | 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 | 61.7 | 66.7 | 66.7 | 66.7 | 66.7 | 66.7 | 66.7 | 66.7 |
| Accumulated deficit | (49.6) | (54.4) | (56.0) | (57.8) | (59.1) | (60.8) | (62.3) | (64.0) | (66.0) | (68.1) | (70.4) | (72.6) | (74.7) | (76.7) |
| Total stockholders' equity | (1.9) | (6.1) | 2.9 | 1.1 | (0.3) | 0.2 | (0.6) | 2.7 | 0.7 | (1.4) | (3.7) | (5.9) | (8.0) | (10.0) |
| Total liabilities and stockholders' equity | 1.9 | 2.1 | 5.6 | 4.8 | 3.5 | 3.3 | 1.9 | 5.2 | 3.1 | 1.1 | (1.2) | (3.3) | (5.3) | (7.2) |

Balance Sheet Drivers

| | 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 | Q1E | Q2E | Q3E | Q4E | Q1E | Q2E | Q3E | Q4E |
| Book & Cash Value (per share) | | | | | | | | | | | | | | |
| 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) | (0.38) | (0.52) | (0.65) |
| Cash per Share (diluted) | 0.22 | 0.35 | 0.76 | 0.37 | 0.23 | 0.19 | 0.04 | 0.24 | 0.11 | (0.02) | (0.17) | (0.31) | (0.44) | (0.56) |
| Net cash per Share (diluted) | (0.54) | (0.99) | 0.58 | 0.37 | 0.11 | 0.14 | (0.01) | 0.21 | 0.08 | (0.05) | (0.17) | (0.31) | (0.44) | (0.56) |

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 | Q1E | Q2E | Q3E | Q4E | FY-E | Q1E | Q2E | Q3E | Q4E | FY-E |
| Cash flow from operating activities | | | | | | | | | | | | | | | | | |
| Net loss | (2.5) | (4.8) | (1.6) | (1.8) | (1.3) | (1.6) | (6.4) | (1.5) | (1.7) | (2.1) | (2.0) | (7.3) | (2.4) | (2.2) | (2.1) | (2.0) | (8.6) |
| Adjustments: | | | | | | | | | | | | | | | | | |
| 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 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 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 | (0.6) | 0.0 | 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 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.00 | 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 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 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 | 0.00 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net cash used in operating activities | (2.5) | (3.6) | (1.8) | (1.1) | (1.0) | (1.9) | (5.8) | (2.1) | (1.7) | (2.0) | (2.0) | (7.9) | (2.3) | (2.1) | (2.0) | (1.9) | (8.3) |
| Investing Activities | | | | | | | | | | | | | | | | | |
| 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 |
| Net cash used in investing activities | (0.0) | (0.0) | (0.0) | 0.0 | (0.0) | (0.0) | (0.0) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financing Activities | | | | | | | | | | | | | | | | | |
| 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 | 0.7 | 5.0 | 0.0 | 0.0 | 5.7 | 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 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 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) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 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 |
| Net cash provided by financing activities | 2.7 | 3.8 | 5.2 | (0.1) | (0.1) | 1.6 | 6.5 | 0.7 | 5.0 | 0.0 | 0.0 | 5.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net cash increase (decrease) | 0.2 | 0.2 | 3.4 | (1.2) | (1.1) | (0.3) | 0.7 | (1.4) | 3.3 | (2.0) | (2.0) | (2.2) | (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 | 0.2 | 3.5 | 1.5 | 1.7 | (0.5) | (2.8) | (4.9) | (6.9) | (0.5) |
| Cash balance at end of period | 0.7 | 0.9 | 4.3 | 3.1 | 2.0 | 1.7 | 1.7 | 0.2 | 3.5 | 1.5 | (0.5) | (0.5) | (2.8) | (4.9) | (6.9) | (8.8) | (8.8) |

Source: Company reports, Ascendant Capital Markets estimates

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|--------------|-----------|-------------|-----------------------------------------------|------------|
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