



Nemaura Medical Inc.

Initiating Coverage with BUY and \$3.25 Target

Game-changing technology to help those with diabetes and those who want to improve and extend life spans.

United States
Healthcare

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COVERAGE INITIATION

Rating: BUY

Ticker: NMRD

Price: \$0.90

Target: \$3.25

Initiating with BUY: We are initiating coverage of Nemaura Medical Inc. with a BUY rating and \$3.25 price target. NMRD is a medical technology company developing sugarBEAT®, a non-invasive, affordable and flexible, continuous glucose monitoring (CGM) system for adjunctive use by persons with diabetes. SugarBEAT consists of a disposable adhesive skin-patch connected to a rechargeable wireless transmitter that displays glucose readings at regular five-minute intervals via a mobile app.

World's first non-invasive continuous glucose monitor: Monitoring glucose is critical for diabetics and until now, the choice has been a finger stick as needed, or to have a sensor placed under the skin for up to 90 days. Nemaura's technology allows its sensor to be placed on the skin.

Large \$179 billion market opportunity: Diabetes affects people all over the world with >90% having Type II. The market for type II diabetics is estimated to be \$69 billion. The pre-diabetic market is estimated to be \$50 billion and the wearable health-tech/biohacking market is estimated to be \$60 billion. We believe the fastest growing adopter group for this product will be biohackers like Geoffrey Woo, Co-Founder & CEO of HVMN (HVMN.com) who does not have diabetes but is a thought leader in the biohacking movement and voluntarily wears a competing invasive CGM (FreeStyle Libre by Abbott Laboratories ABT-NR) in order to perfect his body. Jack Dorsey is another thought leader in the biohacking lifestyle trend and a prime candidate for this product. When SugarBEAT gets FDA approval and becomes available for retail sale on Amazon, we believe there will be substantial demand.

Not FDA approved yet, so Geoff and Jack will have to wait but we expect FDA approval as the next milestone. The Company received CE mark approval on May 29, 2019. It may now pursue SugarBEAT commercialization and sales in the EU.

Executing on plan. CE mark approval is the most recently achieved milestone. The next milestone we expect is FDA approval. The plan has been to roll out the product in Great Britain, where the company is located, followed by Europe, the U.S. The technology has additional target markets that will also be pursued including continuous lactate monitoring (CLM) which is aimed at elite athletes, those who train to become elites and those that simply want to perform at their best.

Current valuation attractive: Our \$3.25 price target is derived from synthetic dividend discount model and represents significant upside from the current share price. We believe this valuation balances out the company's risks with the high growth prospects and large upside opportunity.

Company Description

Based in Loughborough, Leicestershire, United Kingdom, Nemaura Medical is a medical technology company developing sugarBEAT®, a non-invasive, affordable and flexible, continuous glucose monitoring system for adjunctive use by persons with diabetes.

Stock Data

Exchange:	NASDAQ
52-week Range:	\$0.80 – 3.98
Shares Outstanding (million):	208
Market cap (\$million):	\$179
EV (\$million):	\$176
Debt (\$million):	\$1
Cash (\$million):	\$4
Avg. Daily Trading Vol. (\$million):	\$0.08
Float (million shares):	62
Short Interest (million shares):	0.2
Dividend, (annual Yield)	\$0 (NA%)

Revenues (US\$ million)

	2018A (Cur.)	2019A (Cur.)	2020E (Cur.)
Q1 Jun	0.00	0.00	0.00E
Q2 Sep	0.00	0.00	0.20E
Q3 Dec	0.00	0.00	0.40E
Q4 Mar	0.00	0.00	0.70E
Total	\$0.00	\$0.00	\$1.30E
EV/Revs	NA	NA	NMF

Earnings per Share (pro forma)

	2018E (Cur.)	2019A (Cur.)	2020E (Cur.)
Q1 Mar	(\$0.00)	(\$0.01)	(\$0.01)
Q2 Jun	(\$0.00)	(\$0.01)	(\$0.01)
Q3 Sep	(\$0.00)	(\$0.00)	(\$0.01)
Q4 Dec	(\$0.01)	(\$0.01)	(\$0.01)
Total	(\$0.01)	(\$0.02)	(\$0.03)
P/E	NA	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 15.

Exhibit 1: Nemaura Medical's Stock Price (5-years)



Source: Nasdaq.com

INVESTMENT THESIS

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VALUATION

We are initiating coverage of Nemaura Medical with a BUY rating and a 12-month price target of \$3.25, which is based on a synthetic-dividend discount model. The model target is \$3.24 which we round up a penny to \$3.25. As the company only received its first device approval last month, it generates minimal, if any revenues and significant losses so traditional valuation metrics are not useful.

Our assumptions are that the company continues to raise capital both this year and the next three. In year four it reaches breakeven and in 10 years' time it has captured a negligible 0.04% share of its addressable market, which we feel is conservative. Our valuation model is shown in Figure 2 below. The model sums up all earnings per share, discounted at 10% to arrive at a per share value and terminal value growth is assumed to be GDP. Note, this model understates future novel product developments, probably understates the tax benefits, but offsetting that, the earnings never have a down year after 2022.

Figure 2 – Nemaura Medical Inc. – Valuation Model

Target Price: \$3.24		
Year	EPS	Discounted EPS
2019	(0.03)	(0.03)
2020	(0.02)	(0.02)
2021	(0.10)	(0.08)
2022	(0.20)	(0.15)
2023	0.01	0.01
2024	0.20	0.12
2025	0.28	0.16
2026	0.42	0.22
2027	0.43	0.20
2028	0.44	0.19
Terminal Value:		2.63

Source: Ascendant Capital Markets LLC

COMPANY DESCRIPTION

NMRD is a medical technology company developing sugarBEAT®, a non-invasive, affordable and flexible continuous glucose monitoring system for adjunctive use by persons with diabetes. SugarBEAT consists of a disposable adhesive skin-patch connected to a rechargeable wireless transmitter that displays glucose readings at regular five-minute intervals via a mobile app. SugarBEAT works by extracting glucose from the skin into a chamber in the patch that is in direct contact with an electrode-based sensor. The transmitter sends the raw data to a mobile app where it is processed by an algorithm and displayed as a glucose reading, with the ability to track and trend the data over days, weeks and months. While sugarBEAT requires once per day calibration by the patient using a blood sample obtained by a finger stick, we believe sugarBEAT will be adopted by:

- 1) non-insulin dependent persons with diabetes
- 2) insulin-injecting persons with diabetes who all perform multiple daily finger sticks to manage their disease
- 3) Biohackers looking to follow a certain lifestyle, improve health and life span

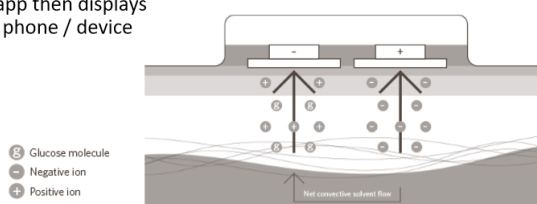
The technology of how the product works and its benefits are shown in Figures 3 and 4.

Figure 3 – Nemauro Medical Inc. – How the BEAT technology works

How SugarBEAT® Works



- SugarBEAT® passes a mild, non-perceptible electric current across the skin
- Painlessly draws a small amount of glucose molecules out of the interstitial fluid just below the top layer of skin into a chamber within the patch
- The rechargeable transmitter measures glucose levels within the chamber, and transmits this data every five minutes via Bluetooth
- Using a proprietary algorithm, the app then displays this data as glucose value on smart phone / device



Source: Company presentation

Figure 4 – Nemauro Medical Inc.- Benefits of the SugarBEAT technology

SugarBEAT® CGM



- World's first non-invasive CGM – sits on top of the skin and does not puncture the skin
- Daily disposable adhesive skin-patch connected to a rechargeable transmitter
- Smartphone App displays glucose readings every five minutes for periods up to 24 hours
- Enables users to spend more time in range by providing an Ambulatory Glucose Profile chart
- Insulin users can adjunctively use SugarBEAT® when calibrated with a finger-stick glucose reading
- CE Mark achieved 29 May 2019



Source: Company presentation

COMPARISON TO EXISTING COMPETING PRODUCT OFFERINGS

Figure 5 shows how the SugarBEAT product compares to its peers. The two main differences being that SugarBEAT is less expensive and non-invasive. We believe those two traits will drive adoption by those seeking to benefit from lifestyle choices as well as diabetics and people who are pre-diabetic.

Figure 5 – Nemaura Medical Inc. – Competitive Landscape

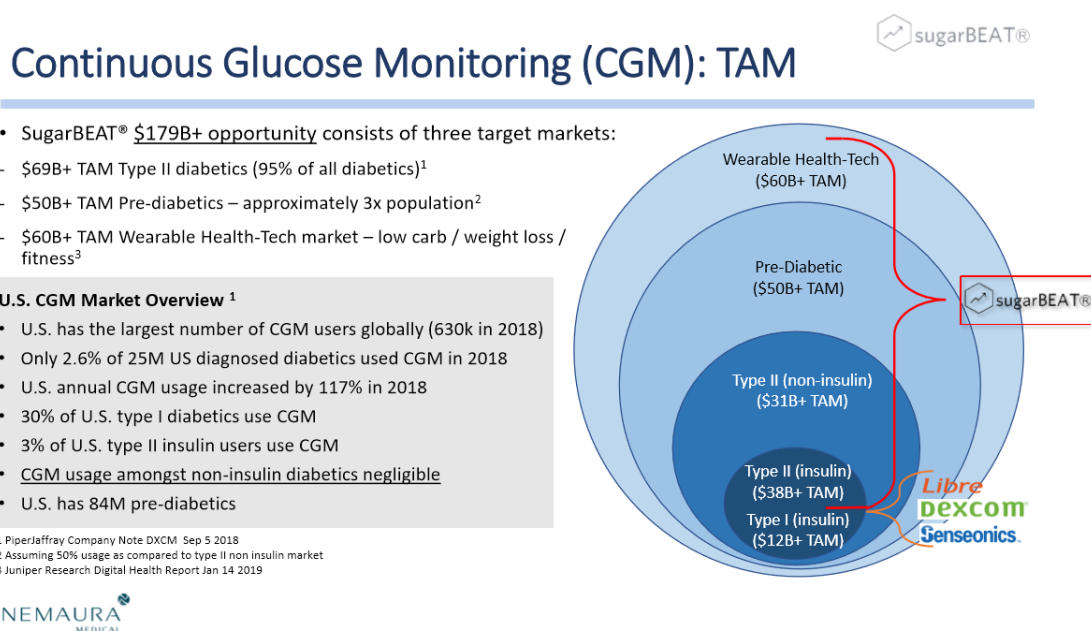
	SugarBEAT®	FreeStyle Libre™	Platinum G6®	Platinum G5®	Eversense™
Manufacturer	Nemaura	Abbott	Dexcom	Dexcom	Senseonics
Technology	Surface contact	Filament inserted into skin	Sensor wire inserted into skin	Sensor wire inserted into skin	Entire 3.5mm x 18.3mm sensor inserted into arm
Warm-up time	< 1 hour	1 hour	2 hours	2 hours	NA
Daily Calibration	1X	None	None	2X	2X
Glucose display freq.	Every 5 minutes	Manual activation required	Every 5 minutes	Every 5 minutes	Every 5 minutes
Patch Life	1 day	No patch	No patch	No patch	No patch
Sensor Life	Unlimited	14 days	10 days	7 days	90 days
Regulatory Approvals	EU	EU	US	Worldwide	EU
Daily Retail Patch Cost	£2 (estimate)				
Daily Retail Sensor Cost	None	£3.50	£3-9 (estimate)	£7.30	NA
Reader Cost	£0-30	£50	NA	£475	NA

Sources: (1) *Diabetes Technology & Therapeutics*, Timothy Bailey, MD, et al., Nov. 2015; (2) *Dexcom's press release*, Mar. 2018; *Dexcom G6 user's guide* (3) *Dexcom's press release*, Aug. 2015; *Dexcom G5 user's guide*; (4) *Senseonics Holdings' 8-K*, Dec. 2015 and *Nemaura Medical Inc. filings*

MARKET SIZE

As we show in Figure 6, there is a large market opportunity: Diabetes affects people all over the world with >90% having Type II. The market for type II diabetics is estimated to be \$69 billion. The pre-diabetic market is estimated to be \$50 billion and the wearable health-tech/biohacking market is estimated to be \$60 billion. We believe the fastest growing adopter group for this product will be biohackers like Geoffrey Woo, Co-Founder & CEO of HVMN (HVMN.com). Geoffrey does not have diabetes but is a thought leader in the biohacking movement and voluntarily wears a competing invasive CGM (FreeStyle Libre by Abbott Laboratories) in order to perfect his body. Jack Dorsey is another thought leader in the biohacking lifestyle trend and a prime candidate for this product. When SugarBEAT gets FDA approval and becomes available for retail sale on Amazon, we believe there will be substantial demand.

Figure 6 – Nemaura Medical Inc. – Market Size



Source: Company presentation

EXECUTING ON PLAN

CE mark approval is the most recently achieved milestone (see Figure 7). The next milestone we expect is FDA approval. The plan has been to roll out the product in Great Britain, where the company is located, followed by Europe, the U.S. The technology has additional target markets that will also be pursued including continuous lactate monitoring (CLM) which is aimed at elite athletes, those who train to become elites and those that simply want to perform at their best.

Figure 7 – Nemaura Medical Inc. - Milestones

Milestone	Target Start Date	Target Completion Date
Completion of clinical studies in Type 1 and Type 2 diabetic subjects to define final device claims and for submission for CE Mark approval with final device claims	July 2017	Completed
Scale up of commercial sensor/patch manufacturing	January 2017	Completed
CE Mark for body worn transmitter device	August 2018	Completed
Scale up of device (transmitter) manufacturing	January 2017	Ongoing
Commercial launch in the UK, followed by major territories in Europe	Q3 2019	Staggered Launch
US FDA Submission	Q2 2019	Q2 2019

Source: Company filings

DIABETES OVERVIEW

Diabetes is a worldwide medical problem.

According to the International Diabetes Foundation, in 2017 (the latest data):

- Approximately 425 million adults (20-79 years) were living with diabetes; by 2045 this will rise to 629 million
- The proportion of people with type 2 diabetes is increasing in most countries
- 79% of adults with diabetes were living in low- and middle-income countries
- The greatest number of people with diabetes were between 40 and 59 years of age
- 1 in 2 (212 million) people with diabetes were undiagnosed
- Diabetes caused 4 million deaths
- Diabetes caused at least \$727 billion dollars in health expenditure in 2017 – 12% of total spending on adults
- More than 1,106,500 children were living with type 1 diabetes
- More than 21 million live births (1 in 7 births) were affected by diabetes during pregnancy
- 352 million people were at risk of developing type 2 diabetes

Type 1 diabetes

Around 10% of all people with diabetes have type 1 diabetes.

Type 1 diabetes is caused by an autoimmune reaction where the body's defense system attacks the cells that produce insulin. As a result, the body produces very little or no insulin. The exact causes of this are not yet known, but are linked to a combination of genetic and environmental conditions.

Type 1 diabetes can affect people at any age, but usually develops in children or young adults. People with type 1 diabetes need daily injections of insulin to control their blood glucose levels. If people with type 1 diabetes do not have access to insulin, they will die.

The risk factors for type 1 diabetes are still being researched. However, having a family member with type 1 diabetes slightly increases the risk of developing the disease. Environmental factors and exposure to some viral infections have also been linked to the risk of developing type 1 diabetes.

At present, type 1 diabetes cannot be prevented. The environmental triggers that are thought to generate the process that results in the destruction of the body's insulin-producing cells are still under investigation.

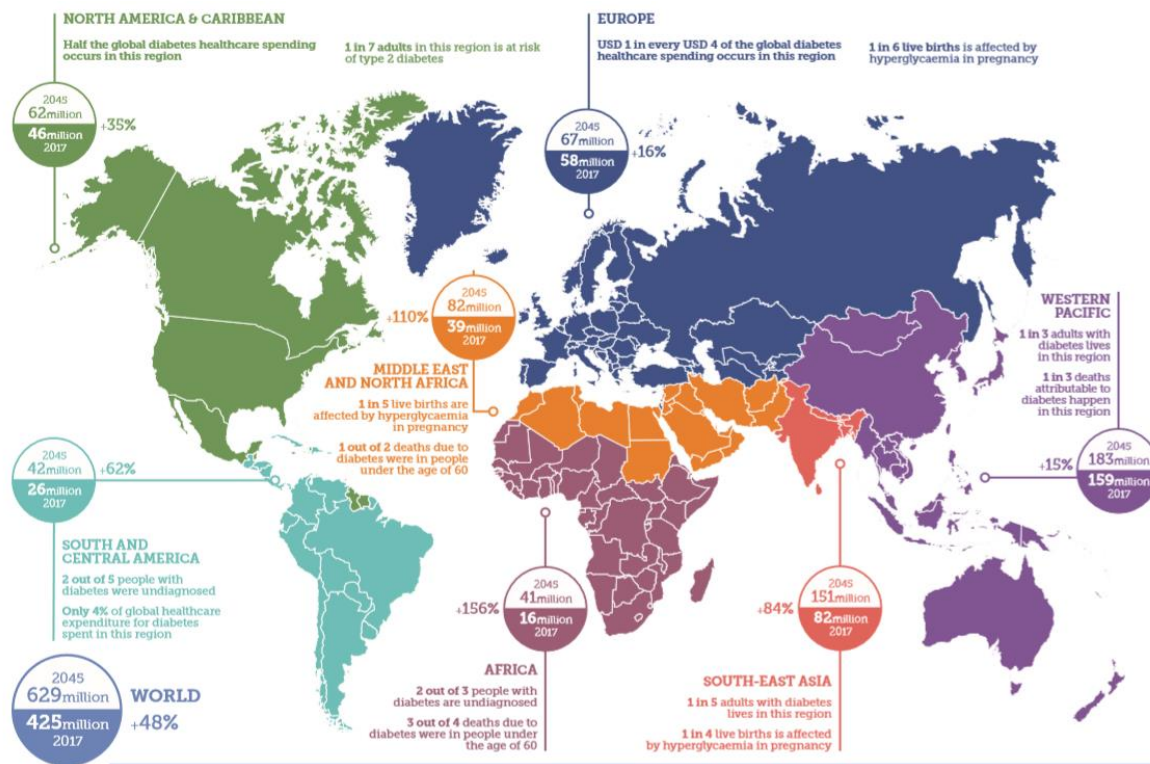
Type 2 Diabetes (T2DM) is the most common form of diabetes — around 90% of people with diabetes have type 2 diabetes.

It is generally characterized by insulin resistance, where the body does not fully respond to insulin. Because insulin cannot work properly, blood glucose levels keep rising, releasing more insulin. For some people with type 2 diabetes this can eventually exhaust the pancreas, resulting in the body producing less and less insulin, causing even higher blood sugar levels (hyperglycemia).

Type 2 diabetes is most commonly diagnosed in older adults, but is increasingly seen in children, adolescents and younger adults due to rising levels of obesity, physical inactivity and poor diet. From the onset of the disease until the symptoms develop, many people with undiagnosed diabetes already have complications such as chronic kidney disease, heart failure, retinopathy and neuropathy. Early detection, diagnosis, and cost-effective treatments can save lives and prevent or significantly delay devastating diabetes-related complications.

In many cases, type 2 diabetes can be prevented by adopting a healthy lifestyle. Much can be done to improve quality of life, increase physical activity, and reduce morbidity and mortality in people living with type 2 diabetes.

Figure 8 – Nemaura Medical Inc. Atlas of Diabetes



Source: International Diabetes Foundation Atlas 2017

BUSINESS STRATEGY

Nemaura intends to lead in the discovery, development and commercialization of innovative and targeted diagnostic medical devices that improve disease monitoring, management and overall patient care. Specifically, it intends to focus on the monitoring of molecules that can be drawn out through the skin, non-invasively, using its BEAT technology platform. In addition to glucose, such molecules may include lactic acid monitoring, the monitoring of prescription drugs, alcohol and blood biomarkers that may help in the diagnosis, prevention or management of diseases, such as diabetes (see Figures 9 and 10 for current and planned product pipelines). NMRD plans to take the following steps to implement its broad business strategy. Its key commercial strategies post-approval will first be implemented in Europe and then in parts of the Middle East and Asia, and then the U.S., as follows:

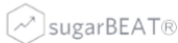
- 1) *Commercialize sugarBEAT in the United Kingdom and Republic of Ireland* with Dallas Burston Pharma (Jersey) Limited, with whom it has an exclusive marketing rights agreement for these two countries.

It has also signed a full commercial agreement with Dallas Burston Ethitronix (Europe) Limited in May 2018 for all other European territories as part of an equal joint venture agreement. The joint venture intends to seek sub-license rights opportunities to one or more leading companies in the diabetes monitoring space, to leverage their network, infrastructure and resources.

- 2) *Establish licensing or joint venture agreements with other parties to market sugarBEAT in other geographies.* NMRD is in detailed discussions and negotiations with several other parties worldwide for licensing or joint venture agreements for the sale of the sugarBEAT device and have signed commercial agreements with TP MENA for the GCC (Gulf Region), and Al-Danah Medical for Qatar.
- 3) *Submit FDA application for approval of sugarBEAT.* The application is currently in progress and expected to be submitted in this quarter.

- 4) *Expand the indications for which the sugarBEAT device may be used.* We believe that the sugarBEAT device may offer significant benefits as compared to those found in the non-acute setting for the monitoring of other diseases. This includes monitoring of lactic acid for performance athletics, and the monitoring of drugs. It has completed initial proof of concept for Lactate monitoring and now plan to explore the route to commercialization for well-being applications in athletic performance training, and plan to undertake further clinical programs to support clinical use of the device for lactate monitoring.
- 5) *Enhance the underlying BEAT technology platform.* This may take the form of a web-server accessible by physicians and diabetes professionals to track the condition remotely, thereby reducing healthcare costs and managing the condition more effectively; a complete virtual doctor that monitors a person's vital signs and transmits results via the web; and other patches using the BEAT technology platform to measure alternative analytes, including lactate, uric acid, lithium and drugs.
- 6) *Expand the product pipeline through its proprietary platform technologies, acquisitions and strategic licensing arrangements.* NMRD intends to leverage its proprietary platform technologies to grow its portfolio of product candidates for the diagnosis of diabetes and other diseases. In addition, it intends to license its product and acquire products and technologies that are consistent with its research and development and business focus and strategies. This may include drug delivery products for the improved management of diabetes, for example improved insulin injector systems, and/or combination drug products for diabetes related drugs.

Figure 9 – Nemaura Medical Inc. – Current Product Pipeline



Current Product Pipeline

Product	Key Features	Market
SugarBEAT Gen II	<ul style="list-style-type: none"> • Include pediatric cover • Improved accuracy (MARD) • Longer patch wear time (72 hours) 	<ul style="list-style-type: none"> • Type II Diabetics • Pre-Diabetics • Wearable Health-Tech
Continuous Lactate Monitoring (anticipated launch Q4 2019)	<ul style="list-style-type: none"> • World's only non-invasive skin patch for continuous lactate monitoring • Determines appropriate training intensity levels and monitors progression 	<ul style="list-style-type: none"> • Athletes • Fitness • Wearable Health-Tech market expected to be worth \$60B+ by 2023¹

Source: Note 1: Juniper Research Digital Health Report Jan. 14, 2019 and Company presentation

Figure 10 – Nemaura Medical Inc. – Proposed Product Pipeline



Planned Product Pipeline

Product	Uses	Diagnostics
Alcohol Monitoring	Support personal health goals, and provide warnings prior to driving, and provide physicians with individual drinking habits	Prevention of progression to alcohol related diseases.
Prostaglandin	Screening for inflammatory irritants in formulations during drug and cosmetic development	Inflammation
Lactate	Lactate monitoring in intensive care	Anaerobic Metabolism
Various	Monitoring the impact of drug treatment for treatment-regimen calibration and pharmacokinetics	Treatment Regimen Optimization
Phenylalanine	Phenylalanine monitoring to ensure that the level is sufficiently suppressed	Phenylketonuria (PKU)

Source: Company presentation

MANAGEMENT

Faz Chowdhury, Chief Executive Officer. Dr. Chowdhury has served as CEO and chair of the board of Nemaura Medical since formation in December 2013. He is sole inventor on more than 50 granted and pending patents across over 15 technology platforms within the medical device and pharmaceutical sectors. He has authored Textbook Chapters on Nano-biosciences for *Wiley* and *Elsevier*, and serves on the Board of Medilink East Midlands, UK. Dr. Chowdhury holds a Masters in Microsystems and Nanotechnology from Cranfield University, UK, and Doctorate from the University of Oxford on nano-medicine and drug delivery.

Mr. Bashir Timol, Chief Business Officer. Mr. Timol has served as member of the board of Nemaura Medical since formation in December 2013, and CBO since April 2018. He has co-founded, managed and funded several biotech and life science companies, and led the investment consortium that provided capital for the initial two funding rounds for Nemaura Medical. Mr. Timol obtained his Bachelor of Arts degree in Economics from the University of Central Lancashire, UK.

Dr. Fred Schaebsdau, Strategy & Business Development Advisor. Dr. Schaebsdau has over 15 years of executive level experience in the CGM, Blood Glucose Monitoring (BGM) and insulin delivery industries, which started in 2004 during his tenure with Abbott Diabetes Care, where he was a member of the M&A and post-merger integration teams responsible for the acquisition of TheraSense and its FreeStyle Navigator CGM. From September 2016 until January 2019, he was the General Manager of Dexcom Germany, which during his leadership became the fastest growing organization in Dexcom's history achieving triple digit revenue and new patient growth every year. Two generations of CGM, G5 and G6, were successfully launched and negotiations with public insurers completed, which resulted in full reimbursement for >85% of the German population. From 2009 until August 2015, at Roche Diabetes Care, he was Senior Vice-President, Head of Global Strategy and Business Development, completing several strategic acquisitions, partnerships and licensing deals. In September 2015, he founded his own firm as exclusive distributor in Europe, the Middle East and Africa for UniStrip®, the world's first generic blood glucose test strip. Since September 2015, he is a member of the Advisory Board of Peppermint Venture Partners. Dr. Schaebsdau studied Medicine at the University of Giessen and completed residencies in urology and surgery at the University of Chicago, University of Hannover and University of Freiburg. He is licensed to practice medicine in the U.S. and Germany. During his residency at the University of Hannover he conducted primary research in neurophysiology with a grant

from the DFG (Deutsche Forschungsgemeinschaft) and completed his PhD. In 1993, he received an MBA from The Wharton School of the University of Pennsylvania.

Professor Karrar Khan, Director of Product Development. Professor Karrar Khan has over 35 years' experience of drug discovery, pharmaceutical development, registration and managing pharmaceutical scientists. His experience includes 20 years as Head of Pharmaceutical Development for Boots Pharmaceuticals and Knoll and two years as Director for OSI where he managed their pharmaceutical development, analytical operations and DMPK. His expertise ranges from development for phase 1 to phase 3- 4 and significant experience of bringing prescription and OTC products to market on a global level (and has contributed to the registration and launch of over 60 pharmaceutical products). He is a Qualified person under the EC quality assurance directive.

David Scott, Director of Commercial Development and Licensing. David Scott is a trained chemist with over 35 years' experience in the Pharmaceutical Industry spanning deal brokering, marketing, strategic planning, finance, business development and acquisitions. He is a skilled negotiator who has closed a number of major deals for inward and outward licensing for pharmaceutical products, delivery systems and technologies. He has also provided licensing training for a number of multinational pharma companies and training organizations and has published widely, (he is the author of the best-selling report, "Scrip's Practical Guide to Pharmaceutical Licensing"). David is also an accredited "Certified Licensing Professional".

Figure 11 - Nemaura Medical Inc. - Income Statement

(\$ in millions except per share)

March ending year	2017	2018				2018	2019				2019	2020E				2020E
	Year	Q1	Q2	Q3	Q4	Year	Q1A	Q2A	Q3A	Q4A	Year	Q1E	Q2E	Q3E	Q4E	Year
Total revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.20	\$0.40	\$0.70	\$1.30
Cost of Goods	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.18	0.32	0.49	0.99
Gross Profit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.08	0.21	0.31
R&D	1.03	0.15	0.21	0.36	0.28	0.99	0.43	0.62	0.44	0.80	2.30	0.90	0.90	0.90	0.90	3.60
SG&A	0.52	0.27	0.24	0.12	0.29	0.92	0.34	0.53	0.49	0.82	2.18	0.55	0.55	0.70	0.70	2.50
Total Operating Expenses	1.55	0.42	0.45	0.48	0.57	1.91	0.77	1.15	0.93	1.62	4.48	1.45	1.45	1.60	1.60	6.10
Operating Income	(1.55)	(0.42)	(0.45)	(0.48)	(0.57)	(1.91)	(0.77)	(1.15)	(0.93)	(1.62)	(4.48)	(1.45)	(1.43)	(1.52)	(1.39)	(5.79)
Total Other Items	(0.76)	0.01	0.05	0.01	0.01	0.09	0.01	0.01	0.01	0.00	0.02	0.00	0.00	0.00	0.00	0.00
Pre-Tax Income	(\$2.31)	(\$0.41)	(\$0.39)	(\$0.47)	(\$0.55)	(\$1.82)	(\$0.76)	(\$1.14)	(\$0.93)	(\$1.62)	(\$4.45)	(\$1.45)	(\$1.43)	(\$1.52)	(\$1.39)	(\$5.79)
Taxes (benefit)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tax Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income (loss)	(\$2.31)	(\$0.41)	(\$0.39)	(\$0.47)	(\$0.55)	(\$1.82)	(\$0.76)	(\$1.14)	(\$0.93)	(\$1.62)	(\$4.45)	(\$1.45)	(\$1.43)	(\$1.52)	(\$1.39)	(\$5.79)
EPS, as reported	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.03)
Diluted Shares Outstanding	205	205	205	121	69	150	106	205	205	206	181	210	212	214	215	213

Sources: Company reports and Ascendant Capital Markets, LLC

Figure 12 - Nemaura Medical Inc. - Balance Sheet

(\$ in millions except per share)

March ending year	FY2020E	FY2019	FY2018	FY2017
Balance sheet				
Current Assets				
Cash and S.T.I.	\$5.01	\$3.74	\$5.73	\$2.78
Accounts receivable	1.00	0.74	0.19	0.05
Inventories	2.00	0.04	0.00	0.00
Other assets	1.00	0.00	0.08	0.00
Total Current Assets	9.01	4.52	6.00	2.83
Net PP&E	1.00	0.06	0.01	0.01
Other non-current assets	0.10	0.19	0.25	0.20
Total Assets	\$10.11	\$4.76	\$6.26	\$7.40
Current Liabilities				
Accounts payable	\$2.00	\$0.16	\$0.05	\$0.08
Liability due to related party	1.00	0.96	0.61	0.69
Other current liabilities	0.20	0.17	0.15	0.09
Total current liabilities	3.20	1.30	0.81	0.85
Deferred revenue	1.50	1.24	1.33	1.18
Other non-current	0.00	0.00	0.00	0.00
Total Liabilities	4.70	2.54	2.14	2.04
Stockholders' Equity				
Preferred stock	0.00	0.00	0.00	0.00
Common stock	0.03	0.21	0.07	0.21
Additional paid-in-capital	25.00	15.79	13.06	12.92
Retained earnings	(19.22)	(13.43)	(8.97)	(7.15)
Cum. trans. adj. and treasury stock	(0.40)	(0.34)	(0.04)	(0.61)
Total stockholders' equity	5.41	2.23	4.11	5.37
Total Liabilities and equity	\$10.11	\$4.76	\$6.26	\$7.40

Sources: Company reports and Ascendant Capital Markets, LLC

Figure 13 - Nemaura Medical Inc. - Cash Flow			
(\$ in millions)			
Cash Flow	<u>2020E</u>	<u>2019</u>	<u>2018</u>
Net Income	(\$5.79)	(\$4.45)	(\$1.82)
Accounts receivable	(0.26)	(0.55)	(0.14)
Inventories	(1.96)	(0.04)	0.00
Other assets	(1.00)	0.08	(0.08)
PP&E	(0.94)	(0.05)	0.00
Intangibles net of depr.	0.09	0.06	(0.05)
Long term assets	0.00	0.00	4.36
Accounts payable	1.84	0.11	(0.03)
Liability due to related party	0.04	0.35	(0.07)
Other current liabilities	0.03	0.03	0.06
Deferred revenue	0.26	(0.10)	0.15
Other non-current	0.00	0.00	0.00
Preferred stock	0.00	(0.00)	0.00
Common stock	(0.18)	0.14	(0.14)
Additional paid-in-capital	9.21	2.73	0.14
Accumulated other comp. loss	(0.06)	(0.30)	0.56
Other			0.00
Total Cash Flow	\$1.27	(\$1.99)	\$2.95
<i>Source: Ascendant Capital Markets, LLC</i>			

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Nemaura Medical Inc.

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

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

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Total return is defined as price appreciation plus dividend yield.

Ascendant Capital Markets, LLC Rating System

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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
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Sell	0	0%	0	0%
Total	37	100%	9	24%

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