



ENDRA Life Sciences Inc.

Q4 about inline and continued positive progress on commercialization. We believe expected positive FDA approval and EU/US product launch over the next year to drive stock. Lowering P/T to \$5.50.

COMPANY UPDATE

Rating: BUY

Ticker: NDRA

Price: \$0.32

Target: \$5.50
(from \$6.25)

Q4 about inline: ENDRA recently (on March 30) reported its Q4 2021 (ending December) results. Net loss was \$3.1 million or EPS of \$(0.07) compared with our and consensus estimates of \$(0.08) – (0.09). There was no Q4 guidance. ENDRA is a late stage medical device development/commercialization company so it generates minimal revenues.

Operating expense: Operating expenses were \$3.1 million, vs \$2.3 million (y-o-y) on R&D and commercialization expenses.

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

Adjusting 2022 estimates: We are adjusting our 2022 estimates for revenues to \$2.5 million, from \$4.0 million, and for EPS to \$(0.27) from \$(0.26).

Focused on TAEUS development: ENDRA has one main medical device candidate, the Thermo Acoustic Enhanced UltraSound (TAEUS) platform to enable clinicians to visualize human tissue composition, function and temperature in ways previously possible only with CT and MRI, but at a fraction of the cost and at the point-of-care.

EU launched: In March 2020, ENDRA received CE Mark approval, and is now starting initial commercialization activity in Europe. It now has four reference evaluation site in the EU (with expectations to start scans soon) and 4 active salespeople.

New FDA pathway: In June 2020, ENDRA filed its 501(k) application with the FDA. After extensive dialogue with the FDA, ENDRA is now (as of February 2022) pursuing the De Novo pathway for its TAEUS System (and withdrawing its 501(k) application), which is intended to characterize fatty liver tissue as a non-invasive means to assess and monitor Non-Alcoholic Fatty Liver Disease (NAFLD). We estimate that the company will file within the next 6 months. We note that key commercialization activities have already started, including a major distribution deal in Vietnam.

8 evaluation sites: ENDRA has 3 U.S. reference evaluation sites, 4 in the EU, and has just added a site in China. These sites will be used to bolster clinical evidence and further establish the clinical utility of the TAEUS device for assessing NAFLD-NASH.

Large market opportunity: The company is launching its first TAEUS application to measure fat in the liver, which is used for early detection and monitoring of Non-Alcoholic Fatty Liver Disease (NAFLD). In 2011, over 1.4 billion people were affected by NAFLD/NASH around the world. Despite the increased incidence of NAFLD, there are no low-cost, accurate, and safe methods for measuring fat in the liver. TAEUS technology should enable to diagnose NAFLD earlier and monitor patients with related liver diseases more accurately and cost-effectively than is possible with existing technology.

Positive high risks versus rewards: Though we acknowledge that ENDRA's devices are at/near approvals and launch, there is still a long road to successful commercialization. However, we believe the ~billion dollars market potentials presents a high reward for the high risks.

Current valuation attractive: Maintaining our BUY rating, but lowering our 12-month price target to \$5.50 from \$6.25. This is based on a NPV analysis, representing significant upside from the current share price. We believe this valuation appropriately balances out the company's high risks with the company's high growth prospects and large upside opportunities.

Company Description

Based in Ann Arbor, MI, ENDRA Life Sciences is a clinical-stage medical device company focused on developing enhanced ultrasound technologies (TAEUS) for medical imaging.

United States
Healthcare

April 12, 2022

Edward Woo, CFA
(949) 259-4932
ewoo@ascendant.com

Stock Data

Exchange:	NasdaqCM
52-week Range:	\$0.28 – 2.63
Shares Outstanding (million):	42
Market cap (\$million):	\$13
EV (\$million):	\$3
Debt (\$million):	\$0
Cash (\$million):	\$10
Avg. Daily Trading Vol. (\$million):	~\$1
Float (million shares):	39
Short Interest (million shares):	~1
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2022E</u> <u>(Cur.)</u>	<u>2022E</u> <u>(Old)</u>	<u>2023E</u> <u>(Cur.)</u>	<u>2023E</u> <u>(Old)</u>
Q1 Mar	0.0E	0.3E	1.0E	
Q2 Jun	0.1E	0.9E	1.5E	
Q3 Sep	0.5E	1.0E	1.5E	
Q4 Dec	<u>1.9E</u>	<u>1.8E</u>	<u>2.0E</u>	
Total	2.5E	4.0E	6.0E	
EV/Revs	1.2x		0.5x	

Earnings per Share (pro forma)

	<u>2022E</u> <u>(Cur.)</u>	<u>2022E</u> <u>(Old)</u>	<u>2023E</u> <u>(Cur.)</u>	<u>2023E</u> <u>(Old)</u>
Q1 Mar	(0.08)E	(0.07)E	(0.06)E	
Q2 Jun	(0.07)E		(0.06)E	
Q3 Sep	(0.07)E	(0.06)E	(0.06)E	
Q4 Dec	<u>(0.05)E</u>	<u>(0.06)E</u>	<u>(0.05)E</u>	
Total	(0.27)E	(0.26)E	(0.23)E	
P/E	N/A		N/A	

Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 11.

Exhibit 1: Q4 and Recent Highlights

- **Achieved clarity on the U.S. regulatory strategy for the TAEUS system.** After extensive and productive dialogue with the U.S. Food and Drug Administration (FDA), ENDRA is now pursuing the De Novo pathway for its TAEUS System, which is intended to characterize fatty liver tissue as a non-invasive means to assess and monitor Non-Alcoholic Fatty Liver Disease (NAFLD). The De Novo request will build upon ENDRA's completed 510(k) submission and the pathway provides ENDRA with the opportunity to set the bar for an entirely new product classification, which should yield important and sustainable commercial advantages for the TAEUS platform. The company intends to include clinical data from a subset of its existing global clinical research partnerships to satisfy the data requirements for the De Novo request as rapidly as possible.
- **Expanded into China with an eighth clinical study partner.** ENDRA's latest research partnership, with China's renowned Shanghai General Hospital (Shanghai First People's Hospital Affiliated with Shanghai Jiao Tong University), further validates ENDRA's technology and provides a strategic entry point into China's healthcare market, which seeks to deliver cost-effective services to 1.4 billion citizens including an estimated 350 million people with NAFLD and Non-Alcoholic Steatohepatitis (NASH).
- **Secured an additional European clinical study partnership with King's College Hospital in London.** This is ENDRA's fourth clinical research partnership in Europe. Data from the King's College Hospital study, along with other ongoing or to-be-initiated studies, will be used to bolster clinical evidence and further establish the clinical utility of the TAEUS device for assessing NAFLD-NASH.
- **Partnered with VGI Health Technology (VGI) to support its upcoming Phase 2 study of its NAFLD-NASH drug candidate.** ENDRA signed a collaboration agreement with VGI to incorporate TAEUS as an add-on technology to support VGI's patient screening and biomarker measurement during its planned Phase 2 study of IVB001 in patients with NAFLD-NASH.
- **Strengthened TAEUS intellectual property (IP) protection with the issuance of four U.S., two European and two Chinese patents.** The company was issued four U.S. patents that further protect its optimized hybrid ultrasound and thermoacoustic imaging systems for a wide range of applications, bringing the total number of U.S. patents to 24. ENDRA was also issued two European patents and two Chinese patents that broaden and expand its global IP portfolio. ENDRA's global IP portfolio now stands at 89 assets, defined as patents in preparation, filed or issued.
- **Achieved key Quality Management System certification.** ENDRA received its Medical Device Quality Management System ISO 13485:2016 recertification, which affirms its quality standards supporting the TAEUS system's CE mark. It further demonstrates the company's commitment to uphold the highest quality product development and manufacture of the TAEUS System to meet customer and international regulatory standards.
- **Balance sheet supports ongoing commercial activities.** As of December 31, 2021, ENDRA had cash and cash equivalents of \$9.5 million. Together with availability under its at-the-market offering program, the company believes it is sufficiently capitalized to advance its commercial activities in Europe and to support its clinical research partners worldwide.

Source: Company reports.

Exhibit 2: ENDRA Investment Highlights

ENDRA Life Sciences

ENHANCE ULTRASOUND TO SEE HUMAN TISSUE IN WAYS SIMILAR TO CT-MRI... BUT AT 50X LOWER COST²

ENDRA Life Sciences: Investment Highlights

PROPRIETARY SCALABLE PLATFORM

- Thermo Acoustic Enhanced Ultrasound (TAEUS[®]) uses radio frequency pulses to create sonic waves
- TAEUS differentiates tissues similar to MRI but at 50x lower cost,¹ at the point of patient care
- Potential to address multiple unmet clinical needs, and generate diverse revenue streams
- TAEUS CE mark received in Europe, and FDA De Novo request planned for 2022 in the U.S.

MULTI-BILLION DOLLAR MARKET OPPORTUNITIES

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

EXTENSIVE PATENT PORTFOLIO

- 89 internally-developed global IP assets,⁴ with defensive and offensive value

CAPITAL-EFFICIENT OPERATING MODEL

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

Source: Company reports.

Exhibit 3: TAEUS Upcoming Milestones

Anticipated Milestones: ENDRA Liver Application

2022

- ✓ Sign high-value China partnership with Shanghai General Hospital
- ✓ Achieve clarity on U.S regulatory strategy
 - Submit De Novo request in U.S
- ✓ Strengthen intellectual property portfolio
 - Collect TAEUS clinical evidence from global research partners
 - Ramp commercialization efforts & drive sales in Europe
 - Forge new alliances with drug developers and med-tech OEMs

Source: Company reports.

Exhibit 4: ENDRA Partners

ENDRA Partners

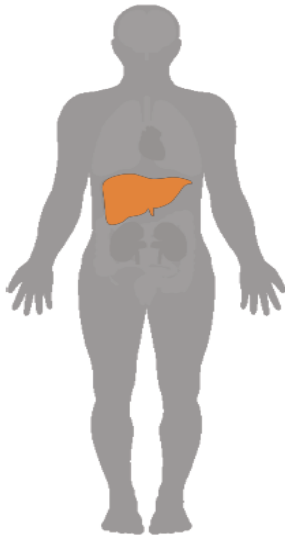
SUPPORTING TECHNICAL, CLINICAL & COMMERCIAL DEVELOPMENT OF TAEUS

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

Source: Company reports.

Exhibit 5: ENDRA's TAEUS Market Opportunity

ENDRA Opportunity #1: Non-Alcoholic Fatty Liver Disease (NAFLD)
QUANTIFY LIVER FAT INEXPENSIVELY & NON-INVASIVELY AT EARLIEST STAGE OF LIVER DISEASE



1.4 BILLION PEOPLE AFFECTED GLOBALLY¹

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

CURRENT DIAGNOSTIC & MONITORING TOOLS ARE IMPRACTICAL

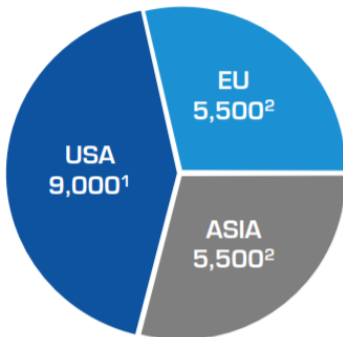
Expensive MRI, invasive surgical biopsy

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

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

Total Addressable Market for NAFLD-NASH Fat Measurement Tool
\$1 BILLION OPPORTUNITY ... WITH UPSIDE

Estimated 2019 Number of Facilities¹ Performing Abdominal-Liver Ultrasound Scans



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

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

Sub-Total Addressable Market = \$1 billion

Potential Upside

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



NASDAQ: NDRA 7

Source: Company reports.

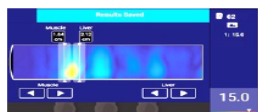
Exhibit 6: TAEUS

ENDRA's TAEUS®: Enhancing Traditional Ultrasound

RADIO FREQUENCY PULSES CREATE SONIC WAVES THAT QUANTITATE LIVER FAT FRACTION



Illustration of TAEUS probe



Screen shot of TAEUS measurement

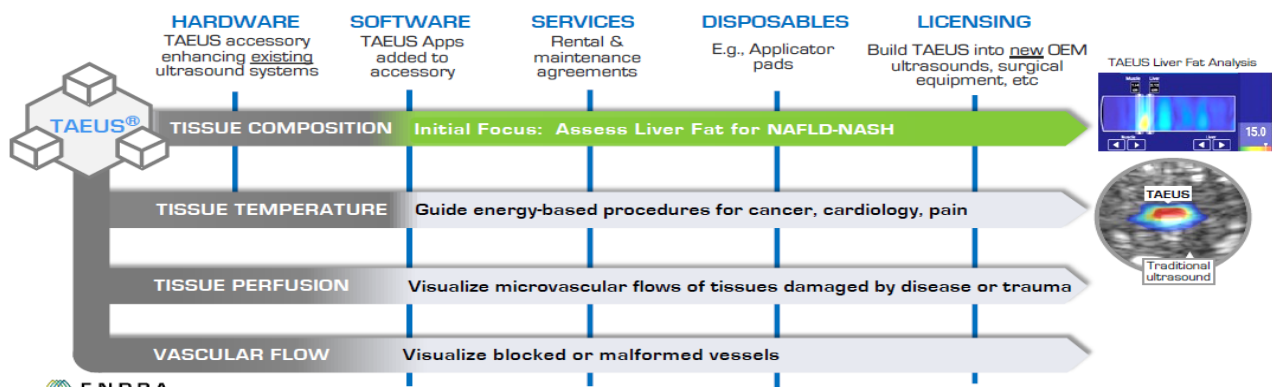
TAEUS is not yet approved for sale in the U.S.

TAEUS PROCEDURE

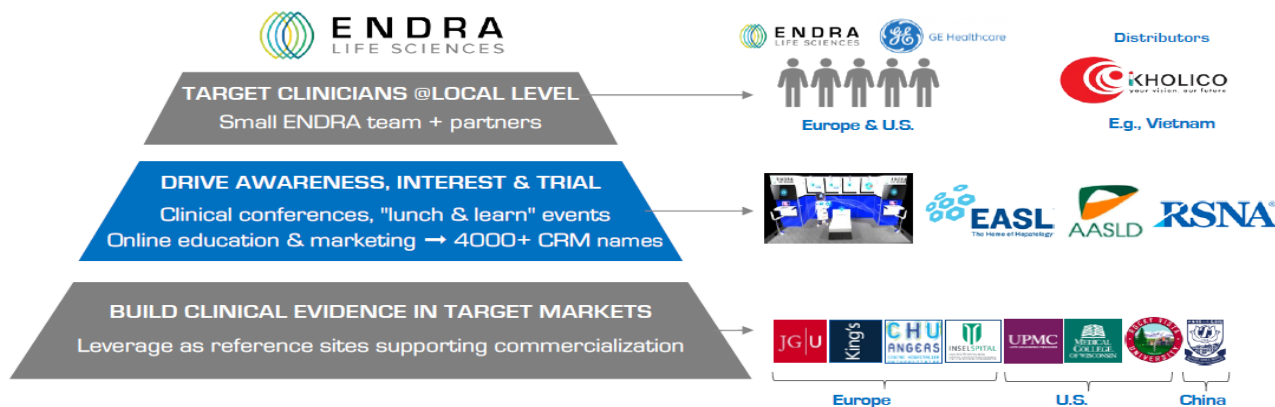
- As little as 15 minutes of user training; easy-to-interpret results
- Locate liver with any traditional B-mode ultrasound
- Apply & activate TAEUS probe; each scan takes 1.5 seconds
- ✓ ENDRA completed first TAEUS human feasibility study (n=19), validated against MRI-PDFF. **Sensitivity 0.88 Specificity 0.82 AUROC 0.91 @ MRI-PDFF 6% steatosis**
- ✓ CE mark received in Europe
- FDA De Novo request planned in 2022

TAEUS® Platform Evolution¹ & Business Model

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



Commercializing TAEUS Liver: 3 Core Elements



Source: Company reports.

Exhibit 7: ENDRA Life Sciences Stock Price (4-years since IPO in June 2017)



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

Exhibit 8: Consensus Expectations (as of March 30, 2022)

	Revenue (mil)			EPS	
	2021E	2022E		2021E	2022E
Q1 Mar	\$0.0A	\$0.3E	Q1 Mar	\$(0.06)A	\$(0.07)E
Q2 Jun	\$0.0A		Q2 Jun	\$(0.08)A	
Q3 Sep	\$0.0A		Q3 Sep	\$(0.06)A	
Q4 Dec	\$0.2E		Q4 Dec	\$(0.08)E	
Total	\$0.2E	\$6.6E	Total	\$(0.28)E	\$(0.20)E

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

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

FINANCIAL MODEL

ENDRA Life Sciences Inc.

Income Statement (\$ mils)	Mar-20	Jun-20	Sep-20	Dec-20	2020	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.5	1.9	2.5	1.0	1.5	1.5	2.0	6.0
Cost of Revenues	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.3	1.0	1.3	0.5	0.8	0.8	1.0	3.0
Gross Profit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.3	1.0	1.3	0.5	0.8	0.8	1.0	3.0
Research and development	1.5	1.5	1.8	1.1	5.9	1.1	1.7	1.2	1.4	5.5	1.3	1.3	1.3	1.3	5.2	1.3	1.3	1.3	1.3	5.2
Sales and marketing	0.1	0.1	0.1	0.2	0.6	0.2	0.3	0.3	0.4	1.1	0.5	0.5	0.5	0.5	2.0	0.5	0.5	0.5	0.5	2.0
General and administrative	1.5	1.3	1.3	0.9	5.0	1.3	1.2	1.2	1.3	4.9	1.4	1.4	1.4	1.4	5.6	1.4	1.4	1.4	1.4	5.6
Restructuring and other					0.0					0.0					0.0					0.0
Total operating expenses	3.1	2.9	3.3	2.3	11.5	2.6	3.2	2.7	3.1	11.5	3.2	3.2	3.2	3.2	12.8	3.2	3.2	3.2	3.2	12.8
Operating income (loss)	(3.1)	(2.9)	(3.3)	(2.3)	(11.5)	(2.6)	(3.2)	(2.7)	(3.1)	(11.5)	(3.2)	(3.2)	(3.0)	(2.3)	(11.6)	(2.7)	(2.5)	(2.5)	(2.2)	(9.8)
Interest income (expense)	(0.2)	(0.0)		0.0	(0.2)					0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Other income (expense)	0.0	0.0	(0.4)	0.4	0.0	0.2	0.0	(0.0)	(0.0)	0.1				(0.1)	(0.1)					(0.1)
Income before income taxes	(3.3)	(2.9)	(3.7)	(1.9)	(11.7)	(2.4)	(3.2)	(2.7)	(3.1)	(11.4)	(3.2)	(3.2)	(3.0)	(2.3)	(11.6)	(2.7)	(2.5)	(2.5)	(2.3)	(9.9)
Income 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
Net income (loss)	(3.3)	(2.9)	(3.7)	(1.9)	(11.7)	(2.4)	(3.2)	(2.7)	(3.1)	(11.4)	(3.2)	(3.2)	(3.0)	(2.3)	(11.6)	(2.7)	(2.5)	(2.5)	(2.3)	(9.9)
Nonrecurring/noncash adjustments					0.0					0.0					0.0					0.0
Net income (pro forma)	(3.3)	(2.9)	(3.7)	(1.9)	(11.7)	(2.4)	(3.2)	(2.7)	(3.1)	(11.4)	(3.2)	(3.2)	(3.0)	(2.3)	(11.6)	(2.7)	(2.5)	(2.5)	(2.3)	(9.9)
EBITDA																				
Shares, Basic	11.5	14.7	23.9	26.5	19.2	37.8	41.7	41.9	42.3	40.9	42.4	42.5	42.6	42.7	42.6	42.8	42.9	43.0	43.1	43.0
Shares, Diluted	11.5	14.7	23.9	26.5	19.2	37.8	41.7	41.9	42.3	40.9	42.4	42.5	42.6	42.7	42.6	42.8	42.9	43.0	43.1	43.0
EPS Basic (Pro forma)	(\$0.29)	(\$0.20)	(\$0.15)	(\$0.07)	(\$0.61)	(\$0.06)	(\$0.08)	(\$0.06)	(\$0.07)	(\$0.28)	(\$0.08)	(\$0.07)	(\$0.07)	(\$0.05)	(\$0.27)	(\$0.06)	(\$0.06)	(\$0.06)	(\$0.05)	(\$0.23)
EPS Diluted (Pro forma)	(\$0.29)	(\$0.20)	(\$0.15)	(\$0.07)	(\$0.61)	(\$0.06)	(\$0.08)	(\$0.06)	(\$0.07)	(\$0.28)	(\$0.08)	(\$0.07)	(\$0.07)	(\$0.05)	(\$0.27)	(\$0.06)	(\$0.06)	(\$0.06)	(\$0.05)	(\$0.23)
Margins																				
Gross margin	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Research and development	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	1300%	260%	68%	208%	130%	87%	87%	65%	87%
Sales and marketing	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	500%	100%	26%	80%	50%	33%	33%	25%	33%
General and administrative	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	1400%	280%	74%	224%	140%	93%	93%	70%	93%
Operating margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	-3150%	-590%	-118%	-462%	-270%	-163%	-163%	-110%	-163%
Tax rate, GAAP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	-3151%	-590%	-121%	-464%	-270%	-163%	-163%	-113%	-164%
YY % change																				
Total Revenue	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	1400%	200%	5%	140%
Gross margin	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	1400%	200%	5%	140%
Research and development	-14%	14%	20%	-44%	-10%	-25%	17%	-34%	24%	-7%	14%	-25%	11%	-9%	-5%	0%	0%	0%	0%	0%
Sales and marketing	102%	53%	39%	15%	41%	40%	91%	97%	99%	85%	211%	95%	81%	31%	86%	0%	0%	0%	0%	0%
General and administrative	60%	36%	26%	-2%	30%	-13%	-6%	-11%	38%	-1%	10%	17%	16%	11%	13%	0%	0%	0%	0%	0%
Operating income (loss)	13%	24%	23%	-28%	6%	-17%	11%	-19%	36%	0%	24%	-2%	11%	-27%	0%	-16%	-22%	-17%	-2%	-15%
Net income (loss)	21%	24%	7%	-79%	-33%	-28%	11%	-27%	67%	-3%	34%	-2%	11%	-26%	2%	-16%	-22%	-17%	-2%	-15%
EPS Diluted (Pro forma)	-22%	-38%	-67%	-94%	-74%	-78%	-61%	-59%	5%	-55%	19%	-3%	9%	-27%	-2%	-16%	-23%	-18%	-3%	-16%

Source: Company reports and Ascendant Capital Markets estimates.

ENDRA Life Sciences Inc.

Balance Sheet (\$ mils)	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	3.1	0.7	3.8	7.2	16.8	14.0	11.8	9.5	7.9	5.4	3.5	4.8	0.9	(0.2)	(2.3)	(3.3)
Short term investments									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable, net									0.0	0.1	0.6	2.1	1.1	1.7	1.7	2.2
Inventory	0.2	0.3	0.3	0.6	0.7	1.3	1.5	1.3	0.0	0.0	0.1	0.2	0.1	0.2	0.2	0.2
Deferred income taxes									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other	0.5	1.2	0.7	0.4	0.8	1.0	1.2	1.3	0.0	0.1	0.3	1.0	0.5	0.8	0.8	1.0
Total current assets	3.8	2.3	4.8	8.2	18.4	16.3	14.5	12.1	7.9	5.5	4.4	8.1	2.6	2.3	0.3	0.2
Property and equipment, net	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Intangibles, net									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income tax									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.4	0.4	0.4	0.3	0.3	0.7	0.7	0.6	0.6	0.6	0.6	0.0	0.0	0.0	0.0	0.0
Total assets	4.4	2.9	5.4	8.8	18.9	17.2	15.3	12.9	8.7	6.3	5.1	8.2	2.7	2.4	0.4	0.3
Liabilities and stockholders' equity																
Accounts payable	1.4	1.2	1.3	0.9	0.7	1.5	1.4	1.4	0.0	0.3	1.5	5.7	3.0	4.5	4.5	6.0
Accrued expenses									0.0	0.1	0.3	1.0	0.5	0.8	0.8	1.0
Deferred income tax									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Short term debt	0.0								0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total current liabilities	1.6	1.2	1.4	1.0	0.8	1.6	1.6	1.5	0.1	0.5	1.9	6.8	3.6	5.4	5.4	7.1
Deferred income taxes									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.3	0.3	0.3	0.3	0.3	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Long term debt		0.3	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total other liabilities	0.3	0.6	0.6	0.6	0.3	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Preferred stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.8	1.3	1.7	2.1	2.5	2.9	3.3
Additional paid-in capital	51.0	52.2	58.4	64.5	77.5	77.8	78.7	79.5	79.5	79.5	79.5	79.5	79.5	79.5	79.5	79.5
Retained earnings	(48.5)	(51.4)	(55.1)	(57.3)	(59.7)	(62.9)	(65.6)	(68.7)	(71.9)	(75.0)	(78.0)	(80.3)	(83.0)	(85.4)	(87.9)	(90.1)
Accumulated other comprehensive in	0.1	0.2							0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other					0.1	0.1	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total stockholders' equity	2.5	1.0	3.3	7.2	17.9	15.0	13.2	10.8	8.0	5.3	2.7	0.8	(1.5)	(3.5)	(5.5)	(7.4)
Total stockholders' equity and liabilities	4.4	2.9	5.4	8.8	18.9	17.2	15.3	12.9	8.7	6.3	5.1	8.2	2.7	2.4	0.4	0.3

Balance Sheet Drivers

	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	50%	50%	50%	50%	50%	50%	50%	50%
Accounts payable as % of total rev	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	300%	300%	300%	300%	300%	300%	300%	300%
Inventories as % of cost of rev	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	20%	20%	20%	20%	20%	20%	20%	20%
Accrued expenses as % of total rev	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	50%	50%	50%	50%	50%	50%	50%	50%
Activity Ratios																
A/R Days Sales Outstanding	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	100	100	100	100	100	100	100	100
Inventory Turnover	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	#DIV/0!	20.0x	20.0x	20.0x	20.0x	13.3x	20.0x	15.0x
A/P Days Payable	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	540	540	540	540	810	540	720
Book & Cash Value (per share)																
Book Value per Share (diluted)	\$0.22	\$0.07	\$0.14	\$0.27	\$0.47	\$0.36	\$0.31	\$0.25	\$0.19	\$0.12	\$0.06	\$0.02	-\$0.03	-\$0.08	-\$0.13	-\$0.17
Cash per Share (diluted)	\$0.27	\$0.05	\$0.16	\$0.27	\$0.45	\$0.34	\$0.28	\$0.22	\$0.19	\$0.13	\$0.08	\$0.11	\$0.02	-\$0.01	-\$0.05	-\$0.08
Net cash per Share (diluted)	\$0.27	\$0.03	\$0.14	\$0.26	\$0.45	\$0.34	\$0.28	\$0.22	\$0.19	\$0.13	\$0.08	\$0.11	\$0.02	-\$0.01	-\$0.05	-\$0.08

Source: Company reports and Ascendant Capital Markets estimates

ENDRA Life Sciences Inc.

Cash Flow Statement (\$ mils)	Mar-20	Jun-20	Sep-20	Dec-20	2020	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Cash flow from operating activities																					
Net income	(3.3)	(2.9)	(3.3)	(2.3)	(11.7)	(2.3)	(3.2)	(2.7)	(3.1)	(11.2)	(3.2)	(3.2)	(3.0)	(2.3)	(11.6)	(2.7)	(2.5)	(2.5)	(2.3)	(9.9)	
Depreciation	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	
Amortization	0.0	(0.0)	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Debt related amortization expen	0.2	0.0	0.0	0.0	0.2	(0.3)				(0.3)					0.0					0.0	
Stock comp	0.6	0.5	0.5	0.5	2.1	0.4	0.3	0.3	0.4	1.4	0.4	0.4	0.4	0.4	1.6	0.4	0.4	0.4	0.4	1.6	
Deferred income 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	
Change in fair value of warrant liability					0.0					0.0					0.0					0.0	
Writedowns and impairments					0.0				0.0	0.0					0.0					0.0	
Other gains/losses					0.0					0.0					0.0					0.0	
Other	(0.0)	0.0	(0.0)	0.0	0.0					0.0					0.0					0.0	
Changes in operating assets and liabilities:																					
Accounts receivable					0.0					0.0	0.0	(0.1)	(0.4)	(1.6)	(2.1)	1.0	(0.6)	0.0	(0.6)	(0.1)	
Inventory	(0.1)	(0.2)	0.0	(0.3)	(0.5)	(0.1)	(0.6)	(0.2)	0.2	(0.7)	1.3	(0.0)	(0.0)	(0.1)	1.1	0.1	(0.1)	0.0	(0.1)	(0.0)	
Prepaid expenses & other curre	(0.3)	(0.7)	0.5	0.3	(0.1)	(0.4)	(0.2)	(0.2)	(0.2)	(1.0)	1.3	(0.1)	(0.2)	(0.7)	0.4	0.5	(0.3)	0.0	(0.3)	(0.1)	
Income tax					0.0					0.0					0.0					0.0	
Other assets	0.0	(0.0)	0.0	(0.0)	(0.1)					0.0	0.0	0.0	0.0	0.6	0.6	0.0	0.0	0.0	0.0	0.0	
Accounts payable	(0.3)	(0.2)	0.0	(0.4)	(0.9)	(0.2)	0.8	(0.1)	(0.0)	0.5	(1.4)	0.3	1.2	4.2	4.3	(2.7)	1.5	0.0	1.5	0.3	
Accrued expenses					0.0					0.0	0.0	0.1	0.2	0.7	1.0	(0.5)	0.3	0.0	0.3	0.1	
Other liabilities					0.0	(0.0)	(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	
Net cash (used in) provided by	(3.1)	(3.5)	(2.1)	(2.1)	(10.8)	(2.9)	(2.8)	(2.7)	(2.7)	(11.1)	(1.5)	(2.5)	(1.8)	1.3	(4.6)	(3.9)	(1.1)	(2.0)	(0.9)	(7.9)	
Cash flow from investing activities																					
Purchases of property and equi	(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)	(0.0)	(0.1)	
Purchases of short-term investments					0.0					0.0					0.0					0.0	
Acquisitions					0.0					0.0					0.0					0.0	
Other					0.0					0.0					0.0					0.0	
Net cash used in investing acti	(0.0)	0.0	0.0	(0.0)	(0.1)	(0.0)	0.0	0.0	0.0	(0.0)	0.0	0.0	(0.0)	0.0	(0.0)	(0.0)	0.0	(0.0)	(0.0)	(0.1)	
Cash flow from financing activities																					
Issuance of debt		0.3			0.3					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Repayment of debt		(0.0)	0.0	0.0	0.0					0.0					0.0					0.0	
Issuance of stock		0.8	0.5	5.5	6.8	9.8		0.5	0.3	10.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Proceeds from stock option exe	0.0	0.0	4.6	0.1	4.8	2.8				2.8					0.0					0.0	
Other					0.0					0.0					0.0					0.0	
Dividends and distributions					0.0					0.0					0.0					0.0	
Cash provided by (used in) fina	0.0	1.1	5.2	5.6	11.9	12.6	0.0	0.5	0.3	13.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Effect of exchange rate on cash					0.0					0.0					0.0					0.0	
Net increase (decrease) in cash	(3.1)	(2.4)	3.0	3.4	1.1	9.6	(2.8)	(2.3)	(2.3)	2.2	(1.5)	(2.5)	(1.8)	1.3	(4.6)	(3.9)	(1.1)	(2.1)	(1.0)	(8.1)	
Beginning cash and equivalents	6.2	3.1	0.7	3.8	6.2	7.2	16.8	14.0	11.8	7.2	9.5	7.9	5.4	3.5	9.5	4.8	0.9	(0.2)	(2.3)	4.8	
Ending cash and equivalents	3.1	0.7	3.8	7.2	7.2	16.8	14.0	11.8	9.5	9.5	7.9	5.4	3.5	4.8	4.8	0.9	(0.2)	(2.3)	(3.3)	(3.3)	

Source: Company reports and Ascendant Capital Markets estimates

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ENDRA Life Sciences Inc.



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

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

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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 Rating System

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

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

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

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

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Total return is defined as price appreciation plus dividend yield.

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Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
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Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	41	100%	16	39%

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