

HeartSciences, Inc.

Q3 FY25: Company reaffirms its regulatory timeline as it lays the groundwork for a large revenue opportunity in AI ECG hardware, consumables and software. Trimming PT to \$14 from \$15.

Q3 FY25 slightly behind on higher expenses: Q3 FY25 (Jan) EPS came in at \$(2.57), versus our estimate of \$(2.53) and consensus estimate of \$(2.33). Operating expenses for the quarter came in at \$2.4 million, versus our estimate of \$2.2 million. The company is still pre-revenue. No forward guidance was provided.

Company confirms CY2025 FDA submissions: Following a final pre-submission meeting for HeartScience's ECG hardware device (The MyoVista) in February, HeartSciences currently expects to submit the MyoVista for FDA approval in the first half of CY25, meaning approval would likely occur in late CY25 or early CY26. In addition, the company reiterated its target for submission of its MyoVista Insights software platform (phase II) and low ejection fraction algorithm in the second half of CY25. The timeline for FDA submission remains essentially unchanged from last quarter.

Adjusting estimates: We are adjusting our FY25 and FY26 EPS estimates downward to \$(10.00) and \$(9.78), versus \$(10.01) and \$(8.80) previously on a less aggressive revenue ramp. Though the company has confirmed its projected regulatory timeline, we are taking the opportunity to adjust our revenue projections for conservatism. Our new revenue estimates are \$0.0 million and \$1.2 million, down from \$0.1 million and \$3.6 million for FY25 and FY26, respectively. Consensus estimates are \$(9.32) and \$(6.67) on revenues of \$0.1 and \$1.3 million for FY25 and FY26, respectively.

CMS reimbursement for AI-ECG technology prepares the path for monetization: Last quarter, the company announced that CMS has included AI-ECG technology in the 2025 Hospital Outpatient Prospective Payment System (OPPS) final rule under assignment APC 5734. The payment rate is expected to be \$125. This approval allows outpatient settings to receive reimbursement for HeartSciences' MyoVista wavECG algorithm and MyoVista Insights low ejection fraction algorithm upon FDA clearance. We are particularly encouraged by the company's progress in software, catalyzed by its partnership with Mount Sinai. Given over 100 million ECGs performed annually in the US alone, the ability of HeartSciences to capture a substantial software royalty for algorithmically interpreting third party ECG tests underscores the company's massive software revenue opportunity.

Cash runway through current fiscal quarter: HSCS exited the Jan FY24 quarter with \$2.6 million in cash. Given quarterly cash burn of roughly \$2.4 million, the company will need to raise substantial cash to have runway to last to its expected monetization phase following FDA approvals. In its Q3 FY25 10Q, the company announced it has entered into a selling agency agreement to raise up to \$15 million in Series D preferred stock and warrants, effectively putting into place ample fund-raising capacity for the next year or more.

Adjusting PT to \$14 from \$15: We are trimming our PT to \$14 (from \$15), based on a slightly more conservative revenue ramp. We have updated our valuation analysis to account for anticipated dilution from share issuance, offset by large new revenue opportunities from the Insights platform. We see share count dilution and execution challenges as the biggest risks to our PT and continue to view HSCS as offering favorable reward opportunity for high investment risk.

Company Description

Based in Southlake, Texas, HeartSciences, Inc. is a medical devices maker developing AI-enabled ECGs to provide early detection of heart disease.

United States
Healthcare

March 18, 2025

Lucas Ward
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lward@ascendant.com

COMPANY UPDATE

Rating: **BUY**

Ticker: HSCS

Price: \$2.94

Target: \$14.00
From \$15.00

Stock Data

Exchange:	NasdaqCM
52-week Range:	\$2.36-13.50
Shares Outstanding (million):	1.0
Market cap (\$million):	\$2.9
EV (\$million):	\$2.8
Debt (\$million):	\$2.5
Cash (\$million):	\$2.6
Avg. Daily Trading Vol (\$ millions):	\$0.090
Float (million shares):	0.9
Short Interest (million shares):	0.03
Dividend, annual (yield):	NA

Revenues (US\$ million)

	2025E (Cur.)	2025E (Old.)	2026E (Cur.)	2026E (Old.)
Q1 Jul	0.0A		0.0E	0.4E
Q2 Oct	0.0A		0.1E	0.7E
Q3 Jan	0.0A	0.0E	0.4E	1.0E
Q4 Apr	0.0E	0.1E	0.7E	1.5E
Total	0.0E	0.1E	1.2E	3.6E
EV/Rev	NM	28x	2.3x	0.8x

Earnings per Share (pro forma)

	2025E (Cur.)	2025E (Old.)	2026E (Cur.)	2026E (Old.)
Q1 Jul	(2.64)A		(2.41)E	(2.29)E
Q2 Oct	(2.27)A		(2.46)E	(2.22)E
Q3 Jan	(2.57)A	(2.53)E	(2.49)E	(2.24)E
Q4 Apr	(2.51)E	(2.57)E	(2.42)E	(2.05)E
Total	\$(10.00)E	\$(10.01)E	\$(9.78)E	\$(8.80)E
PE	NA	NA	NA	NA

* Reflects a 1:100 reverse stock split in May 2024

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: HeartSciences, Inc. Corporate Highlights

HeartSciences: Investment Highlights

- ✓ High Growth \$25 Billion Market by 2032¹

Recent Progress Advances AI-ECG Agenda

- ✓ Mount Sinai agreements provide catalyst for HeartSciences' transformation
 - Large AI-ECG algorithm portfolio
 - Tens of millions of curated ECG records
 - Mount Sinai becomes 15% HSCS shareholder upon completion of the Offering
- ✓ Meaningful risk reduction: now expect 510(k) pathway versus De Novo
 - New FDA classification for AI-ECG
 - New AI-ECG CPT codes introduced in 2023.
- ✓ Compelling AI-ECG clinical evidence and IP portfolio
- ✓ HSCS: only pure play Nasdaq listed AI-ECG company



MyoVista

MyoVista® Wavelet ECG
New Generation of AI-ECG Technology
Designed to Revolutionize ECG for
Heart Screening



HeartSciences Signs Definitive Agreements with the Icahn School of Medicine at Mount Sinai to Commercialize Artificial Intelligence Cardiovascular Algorithms

Smithville, TX, September 21, 2023 (GLOBE NEWSWIRE) – Heart Test Laboratories, Inc. d/b/a HeartSciences (Nasdaq: HSCS, HSCSW) ("HeartSciences" or the "Company"), an AI-powered medical technology company focused on transforming ECGs/ECGs to save lives through earlier detection of heart disease, today announced it has executed definitive agreements with the Icahn School of Medicine at Mount Sinai (Icahn Mount Sinai), in New York, NY, to commercialize electrocardiographic AI algorithms and assets, as well as a memorandum of understanding for on-going cooperation, collaboration and de-identified data access.

"ECG" (also known as "EKG") is the abbreviation for an electrocardiogram.
1 - Precedence Research 2023

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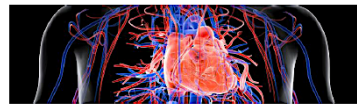


Source: Company Reports

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

AI-ECG is the bridge between front-line healthcare and cardiology to detect heart disease early



Cardiology

Risk Assessment	Possibly Conventional ECG
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Echo	Stress Echo	ECG	Stress ECG
Coronary CT Angiogram	MRI	Invasive Angiogram	

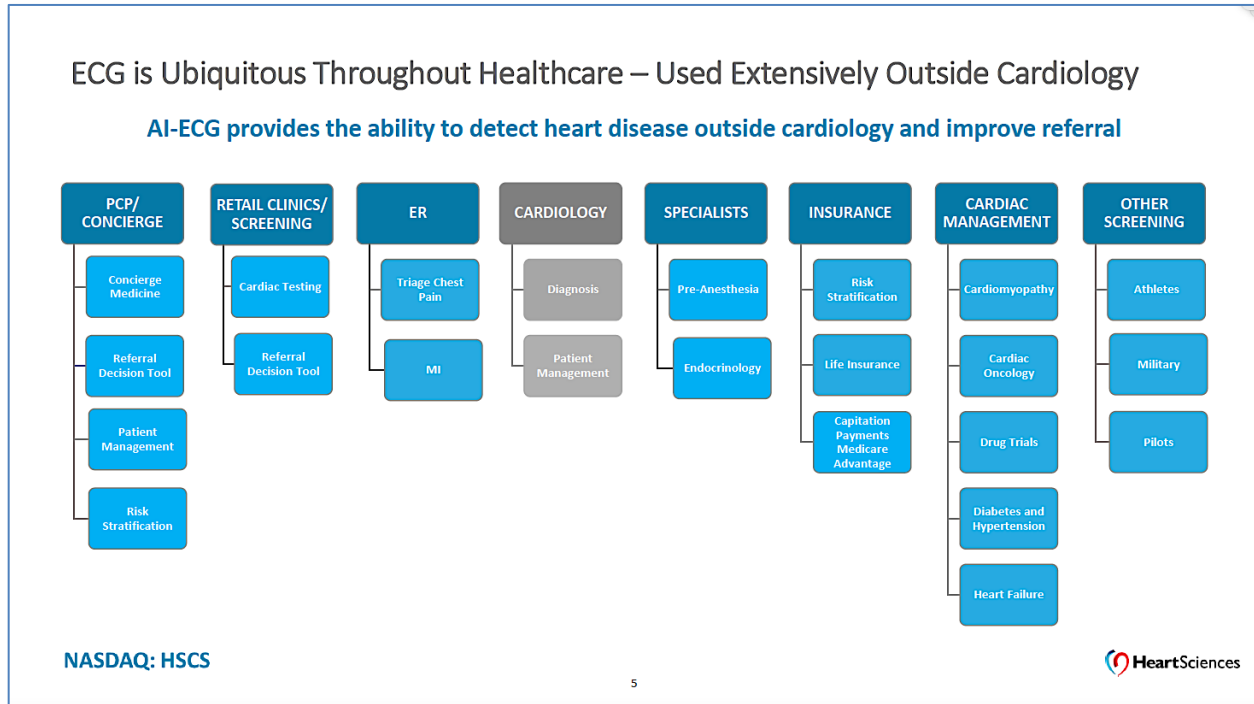
Conventional ECG - low sensitivity for 2 out of the 3 categories of heart disease (ischemia (CAD) and structural)

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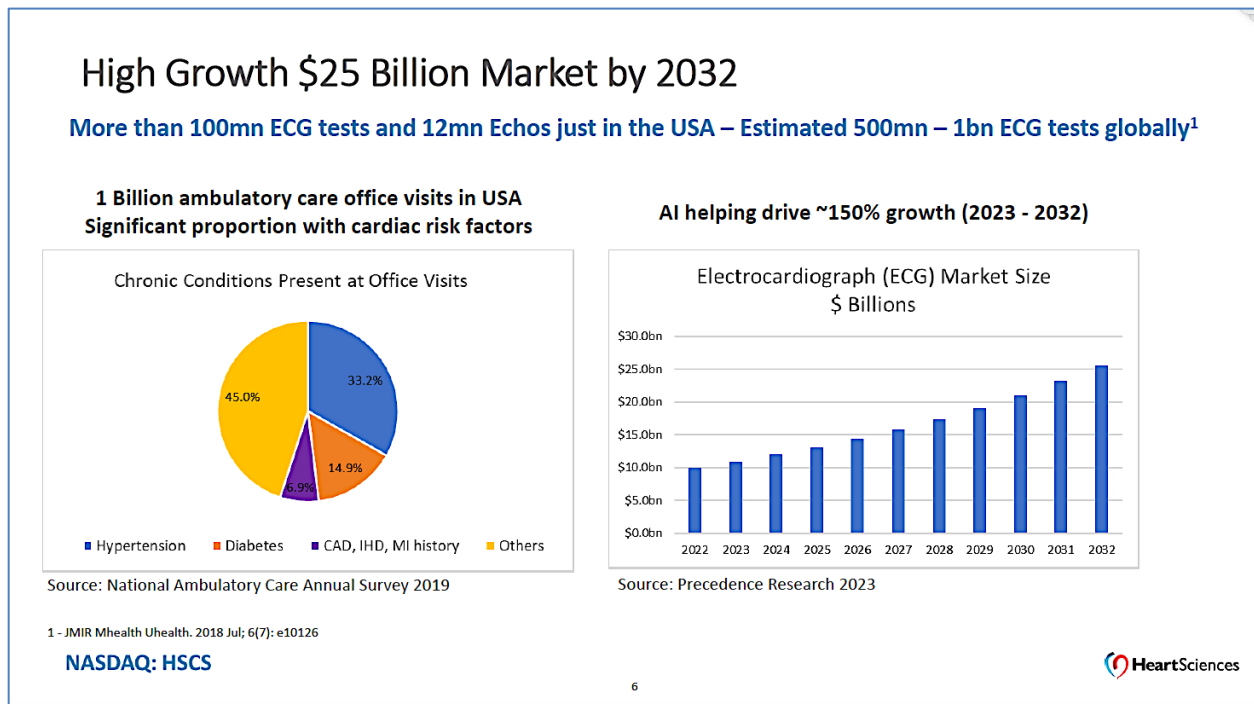
Source: Company Reports

Exhibit 3: ECG Applications Extend Beyond Cardiology



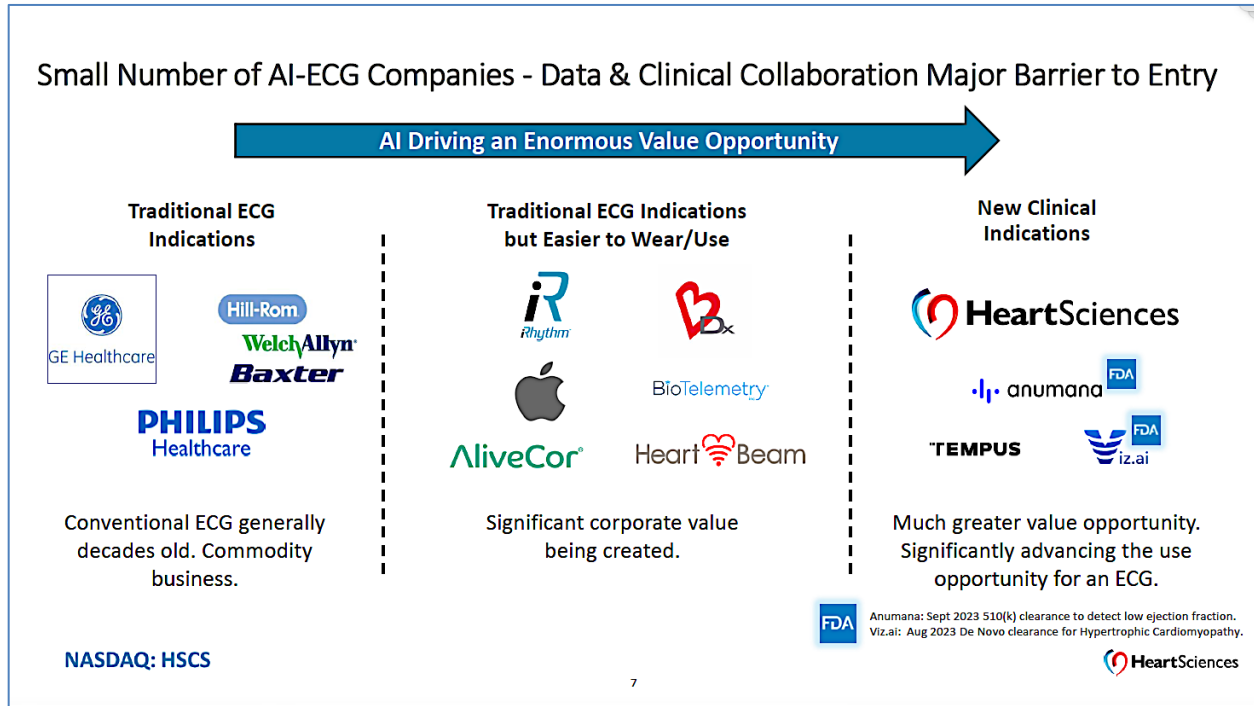
Source: Company Reports

Exhibit 4: ECG Market Size



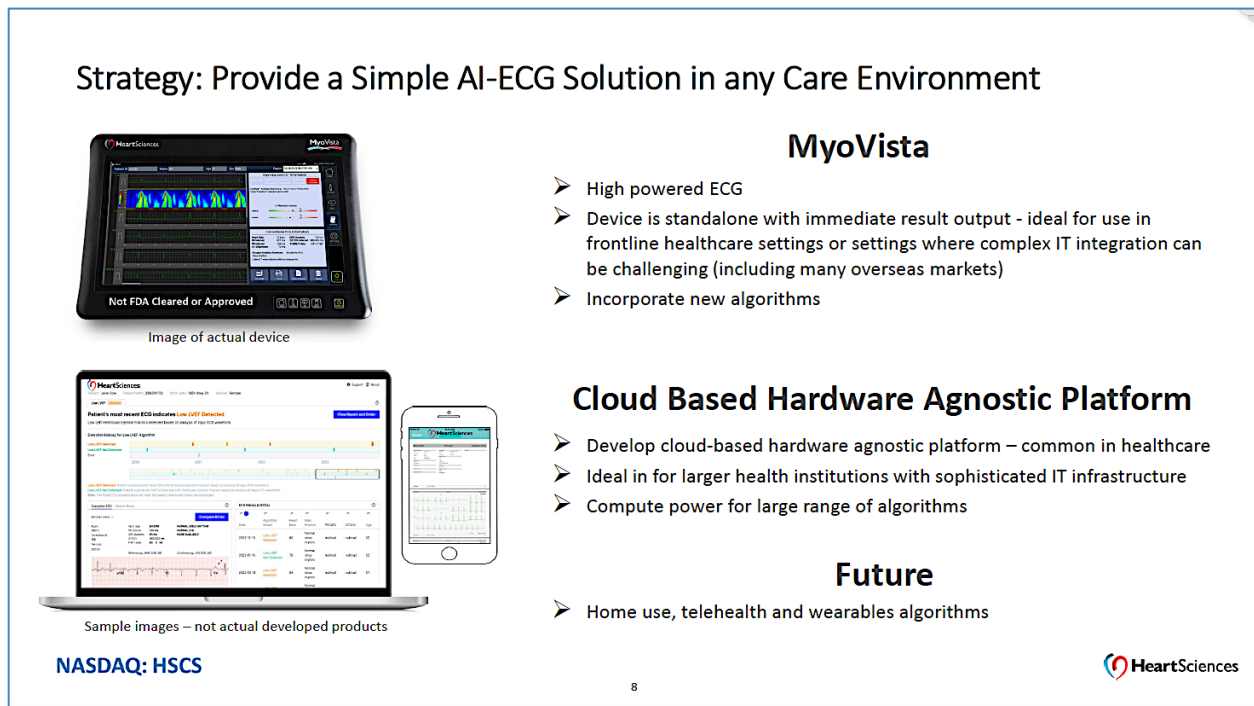
Source: Company Reports

Exhibit 5: HeartSciences, Inc. Competitive Landscape



Source: Company Reports

Exhibit 6: HeartSciences, Inc. Business Model



Source: Company Reports

Exhibit 7: MyoVista Interface

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

THE ISCHEMIC CASCADE

Increasing Ischemic Severity

“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.

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Source: Company Reports

Exhibit 8: HeartSciences, Inc. Clinical Studies

MyoVista Technology Clinical Studies

<p style="text-align: center;"> 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 style="text-align: center;"> 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 style="text-align: center;"> 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 style="text-align: center;">NASDAQ: HSCS</p>	<p style="text-align: center;"> 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 style="text-align: center;"> 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: Mt. Sinai Agreements Are Game Changer for the Company

Recent Agreements with Mount Sinai are a Transformative Catalyst

Broad Portfolio of Licensed AI-ECG Algorithms

Overview

- **11 licenses covering:**
 - 13 algorithms
 - State-of-the art vision transformer platforms
 - 3 patent filings
- **No cash acquisition cost of licenses - Mount Sinai to become a significant shareholder**
- **MoU:**
 - Co-operation
 - Internal use and health economics
 - Partnering opportunities
 - De-identified data access
 - MyoVista evaluation
- **Elite data science team – tens of millions of records**
- **Closing upon completion of the offering**



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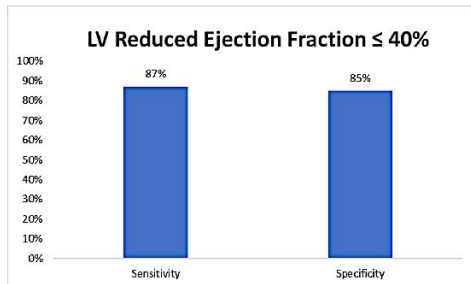
Source: Company Reports

Exhibit 10: Mt Sinai Algorithms Are Comparable to Recently FDA-Cleared Algorithms

Mount Sinai LVEF Algorithm Comparable to Recently Cleared Mayo Clinic Algorithm

Standardizes and Simplifies Regulatory Clearance

Exclusively Licensed to HeartSciences



JACC Cardiovascular Imaging, Vol 15, No 5.

ECG Echo Pairs N = 1,439

- FDA cleared Mayo Clinic LVEF algorithm licensed algorithm to Anumana in September 2023 under 510(k)
- Sensitivity 85% Specificity 84%
- Approved for use in Adult populations at risk for Heart Failure including but not limited to:
 - Patients with cardiomyopathies
 - Patients who are post myocardial infarction
 - Patients with aortic stenosis
 - Patients with chronic atrial fibrillation
 - Patients receiving pharma therapies that are cardio toxic
 - Postpartum women

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Source: Company Reports

Exhibit 11: Published Data on Mt. Sinai Algorithm Portfolio

Selected Other Licensed Mount Sinai Algorithms - Publications

Large AI-ECG Algorithm Portfolio Licensed to HSCS with Compelling Clinical Value

Hypertrophic Cardiomyopathy

- Data Science method – Vision based Transformer method
- Number of ECG/Echo pairs – 20,448
- AUROC – 0.80 in test set

Mitral Valve Regurgitation

- Data Science method – CNN
- Number of ECG/Echo pairs – 123,096
- AUROC – 0.81 in test set

Aortic Stenosis

- Data Science method – CNN
- Number of ECG/Echo pairs – 128,628
- AUROC – 0.86 in test set

Pulmonary Embolism

- Data Science method – CNN
- Number of ECG/Echo pairs – 21,183
- AUROC – 0.84 in test set

Right Ventricle Dysfunction

- Data Science method – Vision based Transformer method
- Number of ECG/Echo pairs – 219,466
- AUROC – 0.84 in test set

PVC related Cardiomyopathy

- Data Science method – Vision based Transformer method
- Number of ECG/Echo pairs – 14,241
- AUROC – 0.83 at ≤LVEF 40% in test set

ST – Elevation Myocardial Infarction detection

- Data Science method – Vision based Transformer method
- Number of ECG/Imaging pairs – 21,801
- AUROC – 0.95 in test set

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Source: Company Reports

Exhibit 12: Streamlined Regulatory Pathway

FDA Streamlines Clearance Pathway with New Product Classification



➤ New Class II product code for cardiovascular machine learning-based notification software:

- Based on De Novo clearance of hypertrophic cardiomyopathy algorithm (Aug 2023)
- Subsequent 510(k) clearance of Low LVEF algorithm (late Sept 2023) – which was previously submitted as De Novo

➤ Now expect more standard 510(k) pathway for MyoVista and algorithms:

- Generally shorter (approx. 4-5 months) and more standardized process than De Novo
- Future algorithms likely to be retrospective data – much quicker

➤ Prior De Novo submission of MyoVista during 2020:

- Significant interaction with FDA during past De Novo and subsequent - detailed understanding of FDA requirements
- MyoVista has already been modified to address prior FDA comments

➤ Submission:

- Filed request to confirm 510(k) and expect response in December
- Expecting submission in first half 2024 and clearance second half 2024
- Pivotal study patient recruitment completed (>600 patients at 5 U.S. institutions)
- Core-lab work and device performance testing ongoing

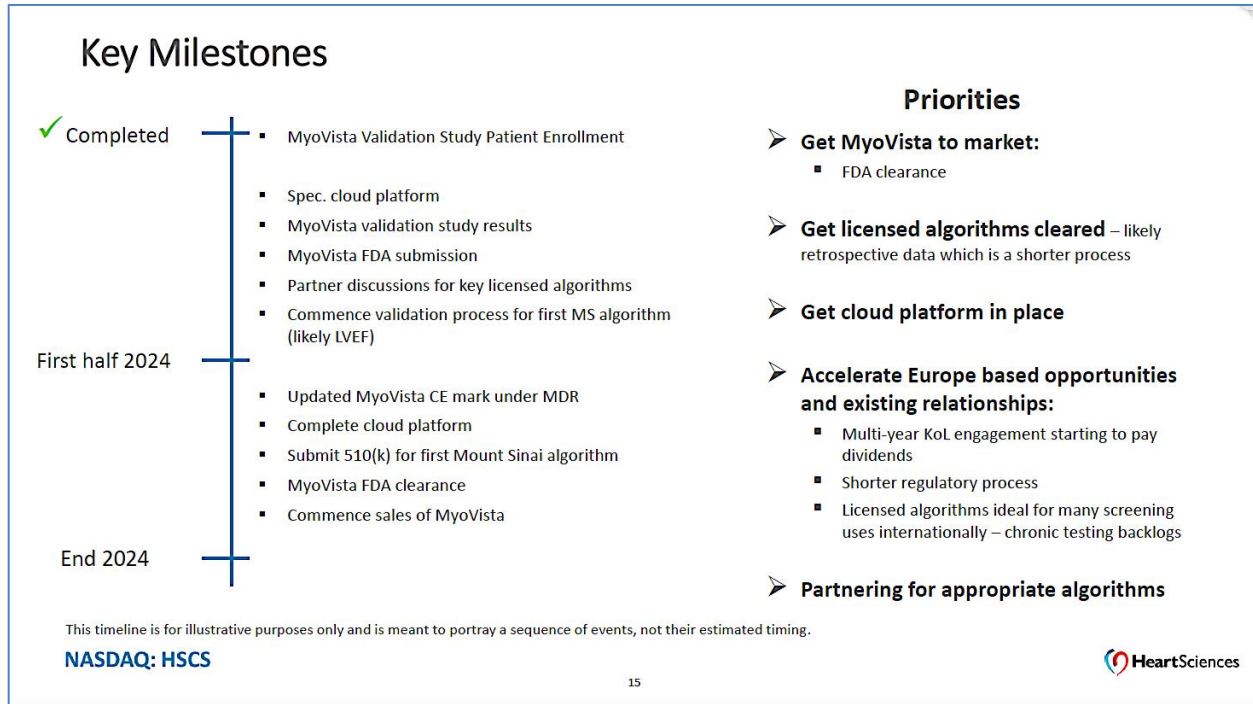
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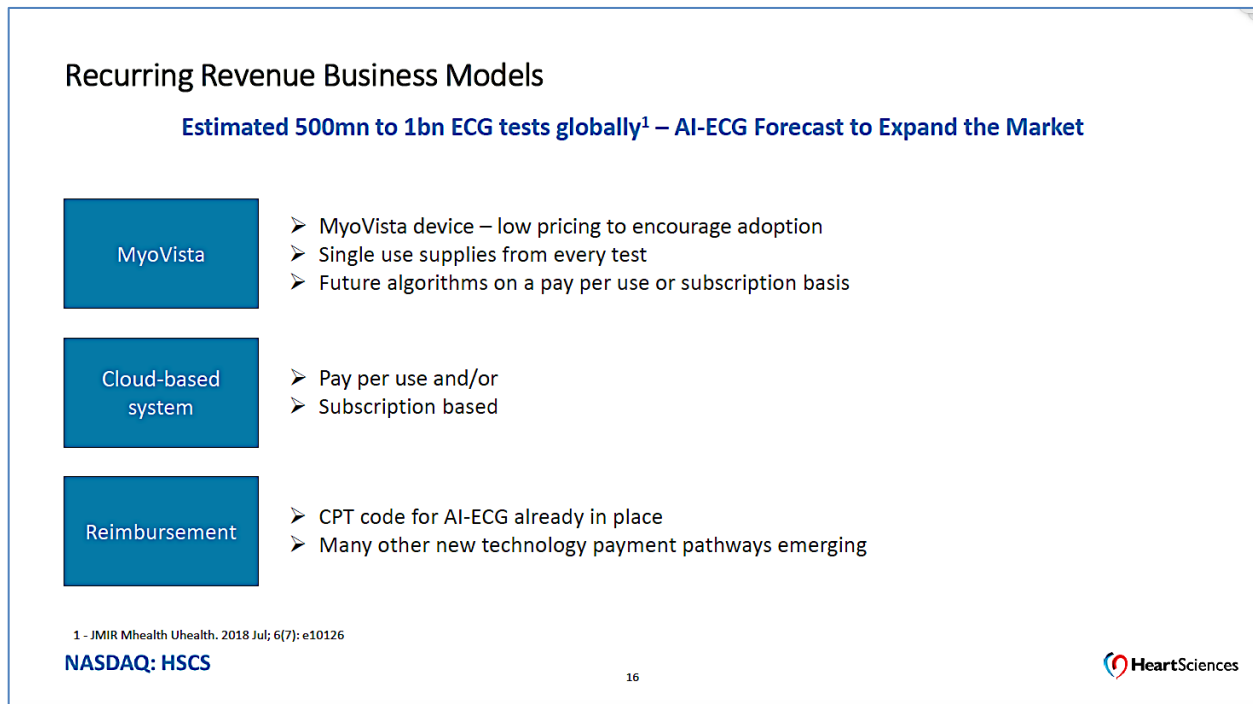
Source: Company Reports

Exhibit 13: Corporate Milestones and Priorities



Source: Company Reports

Exhibit 14: HeartSciences, Inc. Recurring Revenue Opportunities



Source: Company Reports

Exhibit 15: HeartSciences, Inc. Sales and Marketing Channels

Front-Line Referral Testing is Increasingly Major Healthcare Focus

- Intend to have Direct Sales Force in USA
- Intend to use Distributors Internationally

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

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Source: Company Reports

Exhibit 16: HeartSciences, Inc. Intellectual Property

Significant Valuable Intellectual Property

- ✓ 41 granted patents
- ✓ 9 US Patents and 32 international
- ✓ Licensed from Mount Sinai state-of-the-art foundational vision transformer for ECG and further patent filings
- ✓ 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 17: Clinical Study Key Institutions and Researchers

Clinical Study Institutions and Key Researchers



Rutgers - Robert Wood Johnson MS, New Brunswick, NJ



The Baker Heart and Diabetes Institute, Melbourne, Australia



Harvard - Beth Israel Deaconess, Boston, MA



Mount Sinai- Icahn School of Medicine, New York, NY



Scripps Clinic and Research Foundation Health, San Diego, CA



West Virginia University - Heart and Vascular Institute, Morgantown WV



UT Southwestern, Clinical Heart and Vascular Center, Dallas, Tx



UCLA Medical Center – Harbor, Los Angeles, CA



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)

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Source: Company Reports

Exhibit 18: HeartSciences, Inc. Senior Management Team

Senior Management

Andrew Simpson
Chairman and CEO

- 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

Mark Hilz
COO

- 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

Danielle Watson
CFO

- 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

Aaron Peterson
VP R&D

- 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

Carol Krieger
VP Clinical & Regulatory

- 30 years of clinical and regulatory experience including over 100 FDA submissions
- Becton Dickinson - 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

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Source: Company Reports

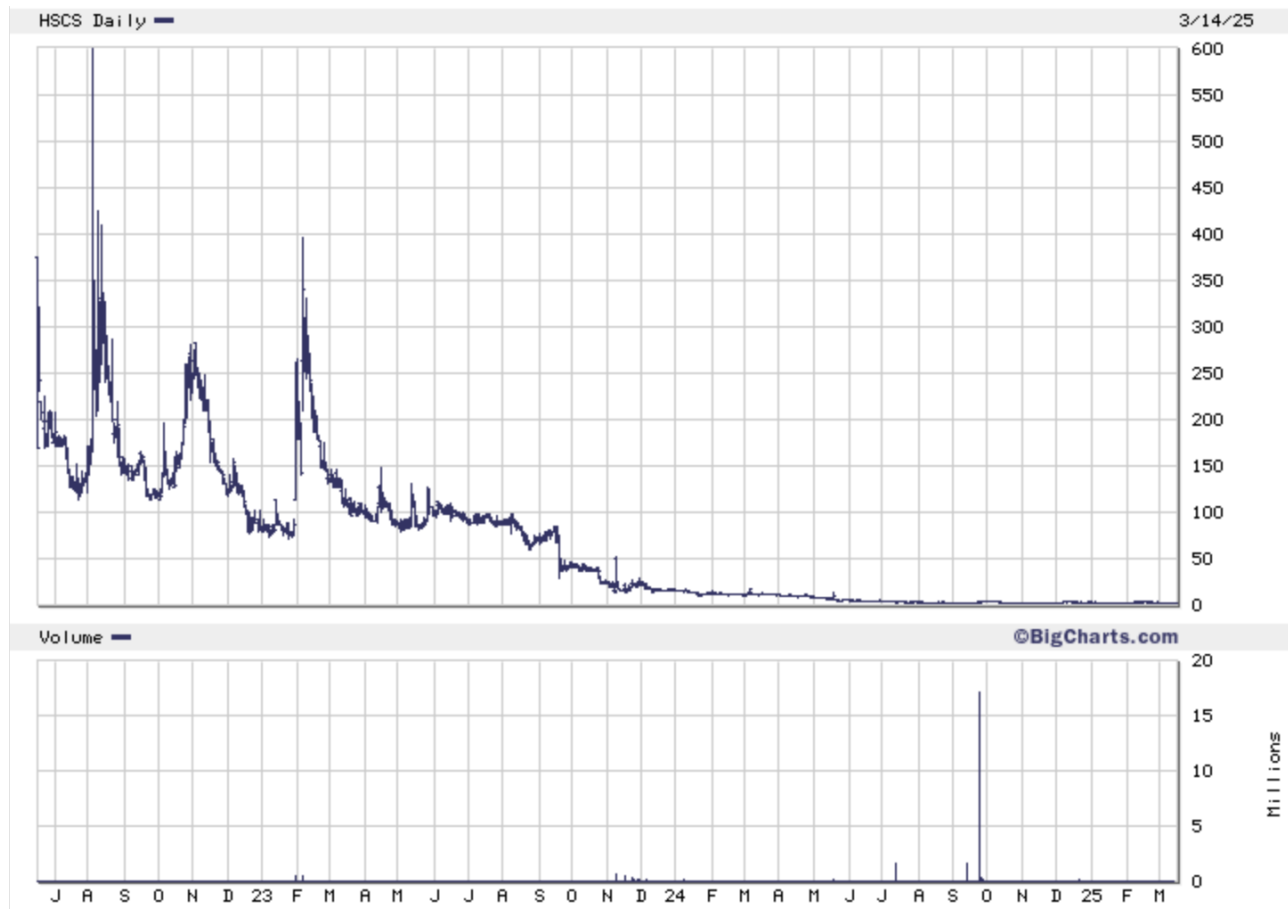
Exhibit 19: HeartSciences, Inc. Consensus Earnings Estimates

3/16/25

	Revenue (\$ million)		EPS	
	FY2025E	FY2026E	FY2025E	FY2026E
Q1 Jul	\$0.0A	\$0.2E	Q1 Jul	\$(2.64)A \$(1.89)E
Q2 Oct	\$0.0A	\$0.4E	Q2 Oct	\$(2.27)A \$(1.70)E
Q3 Jan	\$0.0A	\$0.1E	Q3 Jan	\$(2.57)A \$(1.64)E
Q4 Apr	\$0.1E	\$1.0E	Q4 Apr	\$(2.17)E \$(1.46)E
Total	\$0.1E	\$1.6E	Total	\$(9.32)E \$(6.67)E

Source: CapitalIQ, Ascendant Capital Markets

Exhibit 20: HeartSciences, Inc. Daily Stock Price Chart Since IPO



* Reflects a 1:100 reverse stock split in May 2024

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

FINANCIAL MODEL

HeartSciences, Inc.

Income Statement (\$ mils except EPS) Fiscal Year End: April 30	2021 FY-A	2022 FY-A	2023 FY-A	2024 FY-A	Jul-24 Q1A	Oct-24 Q2A	Jan-25 Q3A	Apr-25 Q4E	2025 FY-E	Jul-25 Q1E	Oct-25 Q2E	Jan-26 Q3E	Apr-26 Q4E	2026 FY-E
Total revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.4	0.7	1.2
Total cost of goods sold	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.3	0.5
Gross profit (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.4	0.7
<u>Operating expenses</u>														
Research and development	1.7	3.0	2.5	2.9	1.2	1.2	1.0	1.2	4.7	1.2	1.2	1.3	1.3	5.0
Selling, general and administrative	0.9	1.7	3.7	3.4	0.9	0.8	1.3	1.1	4.1	1.0	1.1	1.2	1.3	4.6
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
Total operating expenses	2.6	4.7	6.1	6.3	2.1	2.0	2.4	2.3	8.7	2.2	2.3	2.5	2.6	9.6
Loss from operations	(2.6)	(4.7)	(6.1)	(6.3)	(2.1)	(2.0)	(2.4)	(2.3)	(8.7)	(2.2)	(2.2)	(2.3)	(2.2)	(8.9)
<u>Other income (expense)</u>														
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
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
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
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
Interest income (expense)	(0.1)	(0.4)	(0.2)	(0.4)	(0.0)	(0.1)	(0.2)	(0.2)	(0.5)	(0.2)	(0.2)	(0.2)	(0.2)	(0.7)
Other income (expense)	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
Income before taxes	(2.5)	(4.8)	(6.4)	(6.6)	(2.1)	(2.1)	(2.5)	(2.5)	(9.2)	(2.4)	(2.4)	(2.5)	(2.4)	(9.6)
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
Net loss	(2.5)	(4.8)	(6.4)	(6.6)	(2.1)	(2.1)	(2.5)	(2.5)	(9.2)	(2.4)	(2.4)	(2.5)	(2.4)	(9.6)
<u>Nonrecurring/noncash adjustments</u>														
Net income (pro forma)	(2.5)	(4.8)	(6.4)	(6.6)	(2.1)	(2.1)	(2.5)	(2.5)	(9.2)	(2.4)	(2.4)	(2.5)	(2.4)	(9.6)
EBITDA	(2.5)	(4.7)	(6.1)	(6.3)	(2.1)	(2.0)	(2.4)	(2.3)	(8.7)	(2.2)	(2.2)	(2.3)	(2.2)	(8.9)
Weighted average common shares out	0.0	0.0	0.1	0.4	0.8	0.9	1.0	1.0	0.9	1.0	1.0	1.0	1.0	1.0
Shares, Diluted	0.0	0.0	0.1	0.4	0.8	0.9	1.0	1.0	0.9	1.0	1.0	1.0	1.0	1.0
EPS Basic Pro Forma	NM	NM	\$ (79.92)	\$ (18.74)	\$ (2.64)	\$ (2.27)	\$ (2.57)	\$ (2.51)	\$ (10.00)	\$ (2.41)	\$ (2.46)	\$ (2.49)	\$ (2.42)	\$ (9.78)
EPS Diluted Pro Forma	NM	NM	\$ (79.92)	\$ (18.74)	\$ (2.64)	\$ (2.27)	\$ (2.57)	\$ (2.51)	\$ (10.00)	\$ (2.41)	\$ (2.46)	\$ (2.49)	\$ (2.42)	\$ (9.78)
Margins														
Gross margin	58%	45%	NM	67%	NM	54%	54%	NM	NM	NM	54%	56%	56%	56%
Research and development	6673%	20883%	NM	NM	NM	NM	NM	NM	NM	NM	NM	325%	186%	417%
Selling, general and administrative	3416%	11928%	NM	NM	NM	NM	NM	NM	NM	NM	NM	300%	186%	383%
Operating margin	-10044%	-32766%	NM	NM	NM	NM	NM	NM	NM	NM	NM	-569%	-315%	-744%
Tax rate, GAAP	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	-614%	-341%	-804%
Y/Y % change														
Revenue	-60%	-44%	NM	261%	NM	NM	NM	NM	-100%	NM	NM	NM	NM	NM
COGS	-77%	-26%	NM	117%	NM	NM	NM	NM	-100%	NM	NM	NM	NM	NM
Gross Profit	-16%	-57%	NM	432%	NM	NM	NM	NM	-100%	NM	NM	NM	NM	NM
Research and development	-16%	76%	-18%	17%	117%	58%	103%	15%	62%	-2%	0%	26%	8%	7%
Selling, general and administrative	-51%	96%	113%	-6%	11%	-4%	30%	32%	18%	18%	40%	-10%	18%	13%
Total operating expenses	-33%	82%	30%	3%	56%	26%	54%	22%	38%	6%	16%	5%	13%	10%
Operating Income	-33%	83%	30%	3%	56%	26%	55%	22%	38%	6%	13%	-4%	-4%	2%
Net income	-35%	97%	32%	4%	50%	19%	54%	34%	39%	16%	16%	-3%	-4%	5%
EPS				-77%	-80%	-86%	-14%	-10%	-47%	-9%	8%	-3%	-4%	-2%

Source: Company reports, Ascendant Capital Markets estimates

* Reflects a 1:100 reverse stock split in May 2024

HeartSciences, Inc.

Balance Sheet (\$ mils)	Apr-21	Apr-22	Apr-23	Apr-24	Jul-24	Oct-24	Jan-25	Apr-25	Jul-25	Oct-25	Jan-26	Apr-26
Fiscal Year End: April 30	Q4A	Q4A	Q4A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
Current assets												
Cash	0.7	0.9	1.7	5.8	4.3	4.1	2.6	1.7	(0.7)	(3.1)	(5.5)	(7.8)
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
Inventories, net	0.8	0.7	0.7	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Prepaid expenses and other assets	0.1	0.0	0.1	0.2	0.4	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Deferred offering Costs	0.0	0.2	0.2	0.7	0.7	0.7	0.1	0.1	0.1	0.1	0.1	0.1
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
Total current assets	1.6	1.9	2.7	7.4	6.1	5.7	3.6	2.8	0.4	(2.0)	(4.4)	(6.8)
Operating lease right-of-use asset, net	0.2	0.1	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Intangible assets, net	0.0	0.0	0.0	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Property and equipment, net	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0
Total assets	1.9	2.1	3.3	9.5	8.2	7.8	5.7	4.8	2.4	0.0	(2.4)	(4.7)
Liabilities and Stockholders' Equity												
Current liabilities												
Accounts payable	0.3	0.7	0.6	0.4	0.4	0.3	0.4	0.0	0.0	0.0	0.1	0.1
Accrued expenses	0.3	1.1	0.6	0.4	0.6	0.4	0.3	0.3	0.3	0.3	0.3	0.3
Accrued interest expense				0.3			0.1	0.1	0.1	0.1	0.1	0.1
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
Current Portion of Notes Payable	0.1	1.6	0.5	0.5	0.0	2.4	2.5	2.5	2.5	2.5	2.5	2.5
Lease liability - current	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other Current Liabilities	0.0	0.0	0.0	0.0	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Total current liabilities	1.1	3.5	1.8	1.8	1.4	3.3	3.6	3.2	3.2	3.2	3.2	3.3
Accrued Expenses	0.1	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lease liability – long-term	0.1	0.0	0.5	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3
Notes Payable	2.5	4.4	0.5	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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
Total liabilities	3.8	8.1	3.1	2.2	2.3	3.8	3.9	3.5	3.5	3.5	3.6	3.6
Stockholders' Equity												
Convertible Preferred Stock			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additional paid-in capital	47.7	48.3	61.0	74.7	75.3	75.5	75.8	77.8	77.8	77.8	77.8	77.8
Accumulated deficit	(49.6)	(54.4)	(60.8)	(67.4)	(69.4)	(71.5)	(74.0)	(76.5)	(78.9)	(81.3)	(83.8)	(86.2)
Total stockholders' equity	(1.9)	(6.1)	0.2	7.3	5.9	4.0	1.8	1.3	(1.1)	(3.5)	(6.0)	(8.3)
Total liabilities and stockholders' equity	1.9	2.1	3.3	9.6	8.2	7.8	5.7	4.8	2.4	0.0	(2.4)	(4.7)

	Apr-21	Apr-22	Apr-23	Apr-24	Jul-24	Oct-24	Jan-25	Apr-25	Jul-25	Oct-25	Jan-26	Apr-26
	Q4A	Q4A	Q4A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
Balance Sheet Drivers												
Inventory Days	10,862	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Accounts Payable (Days)	4,858	NM	NM	30	30	30	30	30	30	30	30	30
Book & Cash Value (per share)												
Book Value per Share (diluted)	(57.64)	(182.48)	2.37	11.10	7.63	4.38	1.81	1.33	(1.09)	(3.55)	(6.04)	(8.46)
Cash per Share (diluted)	21.83	27.67	18.85	8.81	5.58	4.42	2.63	1.75	(0.66)	(3.10)	(5.54)	(7.91)
Net cash per Share (diluted)	(53.61)	(147.85)	6.78	8.05	5.79	2.55	0.21	(0.68)	(3.08)	(5.52)	(7.96)	(7.77)

Source: Company reports, Ascendant Capital Markets estimates

HeartSciences, Inc.

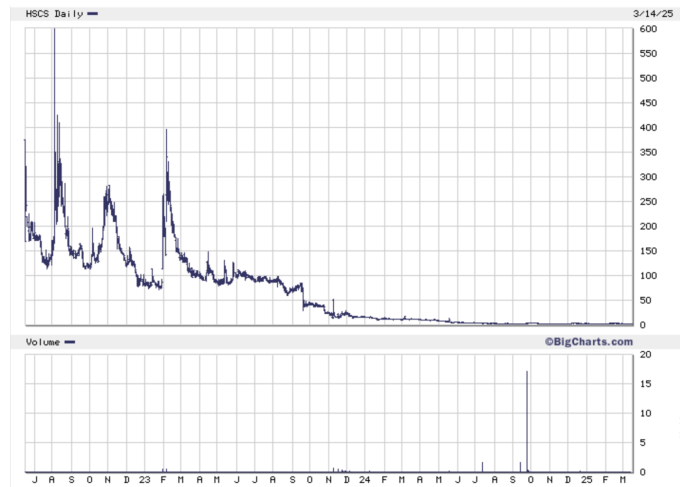
Cash Flow Statement (\$ mils)	2021	2022	2023	2024	Jul-24	Oct-24	Jan-25	Apr-25	2025	Jul-25	Oct-25	Jan-26	Apr-26	2026
Fiscal Year End: April 30	FY-A	FY-A	FY-A	FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Cash flow from operating activities														
Net loss	(2.5)	(4.8)	(6.4)	(6.6)	(2.1)	(2.1)	(2.5)	(2.5)	(9.2)	(2.4)	(2.4)	(2.5)	(2.4)	(9.6)
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
Amortization of Debt Discount and Deferred Fin	0.0	0.2	0.1	0.1	0.0	0.1	0.1		0.2					0.0
Amortization - Right-of-use assets, operating lea	0.0	0.0	0.1	0.1	0.0	0.0	0.0		0.1					0.0
Gain/loss on Disposal of Property and Equipmen	0.0	0.0	0.0	0.0	0.0	0.0			0.0					0.0
Stock based Compensation	0.0	0.1	0.2	0.4	0.1	0.0	0.1		0.2					0.0
Gain on Extinguishment of Debt	(0.3)	(0.3)	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
Gain on Settlement of Payables	0.0	0.0	(0.1)	0.0	0.0	0.0			0.0					0.0
Warrants Issued to non-employees			0.2	0.3	0.0	0.0	0.0		0.0					0.0
Issuance of Common Stock for consulting service	0.0	0.0	0.0	0.1	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
Stock Issued for Note Facility Fee	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	0.0	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	0.0	0.0
Accounts Payable	(0.0)	0.4	0.0	(0.2)	(0.1)	(0.1)	0.1	(0.4)	(0.4)	0.0	0.0	0.0	0.0	0.1
Accrued Liabilities	0.1	0.9	(0.3)	(0.1)	(0.0)	(0.2)	0.0	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0
Deferred offering Costs	0.0	(0.2)	0.1	(0.5)	0.0	(0.0)	0.6		0.6					0.0
Prepays and Other Current Assets	0.0	0.1	0.4	0.2	0.0	0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Lease liability, operating lease			(0.1)	0.0	(0.0)	(0.0)	(0.0)		(0.1)					
Intangibles	0.0	0.0	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
Net cash used in operating activities	(2.5)	(3.6)	(5.8)	(6.0)	(2.0)	(2.2)	(1.6)	(2.9)	(8.7)	(2.4)	(2.4)	(2.4)	(2.3)	(9.5)
Investing Activities														
Purchase of Property and Equipment	(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
Acquisition of intellectual property - intangibles				(0.1)	0.0	(0.0)	(0.0)		(0.0)					
Disposition of Property and Equipment	0.0	0.0	0.0											
Net cash used in investing activities	(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
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
Proceeds from Issuance of Common Stock, Net of	0.0	0.0	5.2	0.0	0.0	0.0	1.0	2.0	3.0	0.0	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
Issuance of Common Stock for bridge warrant ex	0.0	0.0	1.1	0.0	0.0	0.0	0.0		0.0					0.0
Issuance of Common Stock under equity line, net	0.0	0.0	0.4	0.0	0.6	0.1	(0.7)		0.0					0.0
Issuance of Common Stock under ATM Facility, net of fees				10.3	0.0	0.0	0.0		0.0					0.0
Issuance of pre-funded warrants for bridge warr	0.0	0.0	0.2	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
Proceeds from Shareholders Notes	0.7	0.5	0.0	0.3	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
Repayment of Financing Leases	0.0	0.0	(0.4)	(0.3)	(0.1)	(0.1)	(0.1)		(0.2)					0.0
Proceeds from Issuance of Series C Preferred Co	0.2	0.0	0.0	0.0	0.0	0.0	0.0		0.0					0.0
Proceeds from Streeterville note, net					0.0	1.9	0.0		1.9					
Deferred Financing Costs	0.0	(0.4)	0.0	0.0	0.0	0.0	0.0		0.0					0.0
Net cash provided by financing activities	2.7	3.8	6.5	10.3	0.6	1.9	0.2	2.0	4.6	0.0	0.0	0.0	0.0	0.0
Net cash increase (decrease)	0.2	0.2	0.7	4.2	(1.5)	(0.3)	(1.5)	(0.9)	(4.1)	(2.4)	(2.4)	(2.4)	(2.3)	(9.5)
Cash balance at beginning of period	0.5	0.7	0.9	1.7	5.9	4.4	4.1	2.6	5.9	1.8	(0.6)	(3.0)	(5.4)	1.8
Cash balance at end of period	0.7	0.9	1.7	5.9	4.4	4.1	2.6	1.8	1.8	(0.6)	(3.0)	(5.4)	(7.8)	(7.8)

Source: Company reports, Ascendant Capital Markets estimates

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HeartSciences, Inc.



Report	Date	Rating	PT split adjusted
1	30-Jan-23	BUY	\$330.00
2	25-Mar-23	BUY	\$350.00
3	3-Aug-23	BUY	\$370.00
4	3-Oct-23	BUY	\$380.00
5	22-Dec-23	BUY	\$90.00
6	22-Mar-24	BUY	\$100.00
7	9-Aug-24	BUY	\$15.00
8	20-Sep-24	BUY	\$15.00
9	24-Jan-25	BUY	\$15.00
10	18-Mar-25	BUY	\$14.00

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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.

Ratings Distribution and Investment Banking Disclosure (As of January 10, 2025)

	Investment Banking Services Past 12 Months			
	Count	Percent	Count	Percent
Buy	56	98%	20	36%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	57	100%	20	35%

Other Important Disclosures

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