



ENDRA Life Sciences Inc.

Q1 about inline and planned FDA submission soon. We believe FDA approval and EU/US product launch this year to drive stock. Lowering P/T to \$20.

Q1 about inline: ENDRA recently (on May 15) reported its Q1 2023 (ending March) results. Net loss was \$2.9 million or EPS of \$(0.93) compared with our and consensus estimates of \$(1.04) – (1.07). There was no Q1 guidance. ENDRA is a late stage medical device development/early stage commercialization company so it generates no revenues.

Operating expense: Operating expenses were \$2.9 million, vs \$3.3 million in Q4.

No 2023 guidance: Management did not provide 2023 financial guidance.

Adjusting 2023 estimates: We are adjusting our 2023 estimates for revenues to \$0.1 from \$1.0 million, and for EPS to \$(2.09) from \$(4.13).

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.

FDA submission soon (mid-2023): 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). ENDRA plans to file its FDA submission soon (in “mid-2023”). We note that key commercialization activities have already started, including a major distribution deal in Vietnam.

Over 100 scans done in 2022: ENDRA has 4 U.S. reference evaluation sites, 5 in the EU, and a site in China used to build clinical evidence and establish the clinical utility of the TAEUS device for assessing NAFLD-NASH. ENDRA had over 100 total patients scanned in 2022.

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.

Balance sheet: In Q1, ENDRA has \$2 million in cash and no debt. In May (current Q2), the company raised ~\$4.5 million selling stock (4.3 million shares at \$1.20/share). We believe it has enough cash into 2024.

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 \$20 from \$30. 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 medical device company developing enhanced ultrasound technologies (TAEUS) for medical imaging.

United States
Healthcare

May 30, 2023

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COMPANY UPDATE

Rating: **BUY**

Ticker: NDRA

Price: \$1.56

Target: \$20
(from \$30)

Stock Data

Exchange:	NasdaqCM
52-week Range:	\$1.02 – 7.60
Shares Outstanding (million):	7.6
Market cap (\$million):	\$12
EV (\$million):	\$10
Debt (\$million):	\$0
Cash (\$million):	\$2
Avg. Daily Trading Vol. (\$million):	\$0.2
Float (million shares):	3
Short Interest (million shares):	0.1
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2023E</u> <u>(Cur.)</u>	<u>2023E</u> <u>(Old)</u>	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>
Q1 Mar	0.0A	0.0E	0.2E	
Q2 Jun	0.0E		0.3E	0.6E
Q3 Sep	0.0E	0.3E	0.4E	0.7E
Q4 Dec	<u>0.1E</u>	<u>0.7E</u>	<u>0.6E</u>	<u>1.0E</u>
Total	0.1E	1.0E	1.5E	2.5E
EV/Revs	100x		7x	

Earnings per Share (pro forma)

	<u>2023E</u> <u>(Cur.)</u>	<u>2023E</u> <u>(Old)</u>	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>
Q1 Mar	(0.93)A	(1.07)E	(0.40)E	(0.98)E
Q2 Jun	(0.55)E	(1.07)E	(0.39)E	(0.91)E
Q3 Sep	(0.43)E	(1.02)E	(0.38)E	(0.90)E
Q4 Dec	<u>(0.42)E</u>	<u>(0.96)E</u>	<u>(0.36)E</u>	<u>(0.85)E</u>
Total	(2.09)E	(4.13)E	(1.52)E	(3.64)E
P/E	N/A		N/A	

*Reflects a 1:20 reverse stock split in December 2022.

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: Q1 2023 and Recent Highlights (as of May 15, 2023)

- **Completed enrollment of subjects and data collection for FDA De Novo request, with more than 100 TAEUS system scans utilizing new interactive guidance tool performed at global clinical investigational sites.** In early 2023, ENDRA implemented a software guidance tool to enhance performance of its TAEUS system at several clinical evaluation sites and recently completed data collection on more than 100 TAEUS scans and MRI confirmatory scans. With the requisite data collection now complete, ENDRA is finalizing that portion of its De Novo request to the U.S. Food and Drug Administration (FDA). The data will also be used to support commercialization of the TAEUS liver device in Europe and, after FDA clearance, in the U.S.
- **Preparing De Novo FDA submission.** In the U.S., ENDRA is pursuing the De Novo regulatory pathway for its TAEUS liver device, 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 pathway is reserved for novel technologies and should assist ENDRA in achieving the strongest market position with TAEUS-optimized claims. Given the completion of data collection, ENDRA plans to submit the request mid-2023.
- **Highlighted TAEUS' liver system capabilities at clinical conferences.** The ENDRA team continues to drive awareness of the TAEUS system by meeting with prospective customers and partners at clinical conferences in the U.S. and Europe. In the first quarter, ENDRA participated in the Francophone Society of Diabetes annual meeting. In addition, the Company's peer-reviewed clinical abstract titled "*Thermoacoustic assessment of fatty liver disease - an early clinical feasibility study*" was accepted for a poster presentation at the prestigious European Association for the Study of the Liver (EASL) Congress, being held June 21-24 in Vienna. Acceptance of this abstract for presentation is a significant step in raising awareness and demonstrating the capabilities of TAEUS among prospective clinical users and driving commercial adoption.
- **Continued expansion of intellectual property portfolio to 63 issued patents globally.** Year-to-date, seven patents were issued to ENDRA, including three in the U.S., two in Europe and two in China. These patents support ENDRA's strategy to protect the TAEUS system for its initial indication of measuring liver fat, as well as other potential applications such as monitoring tissue temperature during surgical procedures. In addition, ENDRA is pursuing licensing opportunities in non-core indications to further enhance the value of its intellectual property portfolio.
- **Subsequent to the close of the quarter, raised \$4.5 million and extended cash runway.** The Company raised \$4.5 million in net proceeds from the sale of common stock and warrants in a public offering. With this bolstered cash position, management believes ENDRA is capitalized to fund operations through several important milestones, including advancing the TAEUS system through the regulatory process in the U.S. and supporting commercial activities in Europe.

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: Business Highlights

MULTIBILLION-DOLLAR MARKET

- Initial ENDRA focus: Liver disease (NAFLD-NASH), which lacks safe & cost-effective diagnostic tools
- Over 2 billion people¹ affected with excess liver fat, creating a \$12.5 billion diagnostic market opportunity²

PROPRIETARY SCALABLE PLATFORM

- Thermo Acoustic Enhanced Ultrasound (TAEUS[®]) uses radiofrequency pulses to create sonic waves
- TAEUS differentiates tissues similar to MRI but at 1/50th the cost,³ 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 in the U.S.
- 58 patents issued + 34 filed, all by ENDRA

CAPITAL-EFFICIENT OPERATING MODEL

- Lean and deeply experienced ENDRA team + world-class technical, clinical and commercial partners

Source: Company reports.

Exhibit 3: TAEUS Upcoming Milestones

2023

- Use enhanced guidance tools to collect TAEUS liver clinical evidence with global research partners
- Submit De Novo request to FDA for TAEUS Fatty Liver application
- Achieve sales in Europe
- Forge alliances with med-techs for TAEUS application development and licensing
- Continue to enhance intellectual property portfolio

Source: Company reports.

Exhibit 4: ENDRA Partners

ENDRA Value-Added Partner Ecosystem

LEVERAGE PARTNERSHIPS TO AMPLIFY ENDRA'S TECHNICAL, CLINICAL & COMMERCIAL ACTIVITIES

TECHNOLOGY LEADERSHIP

- Enhance peer-leading IP portfolio
- Real-time guidance tools
- Novel cloud-based data mgt.
- Artificial Intelligence tools
- Collaborations to co-develop & integrate TAEUS applications



ROBUST CLINICAL EVIDENCE

- Clinical data supporting regulatory submissions & commercialization
- Studies comparing TAEUS to MRI-PDFP in target markets: U.S., EU, Asia
- Pharma pilots of TAEUS for drug trial recruitment efficiencies



COMMERCIAL ADOPTION

- Target clinicians at local level in key markets w/ENDRA team & partners
- Demonstrate TAEUS at key global clinical conferences
- Online education & marketing
- CRM w/5000 clinicians
- Leverage clinical publications & reference sites

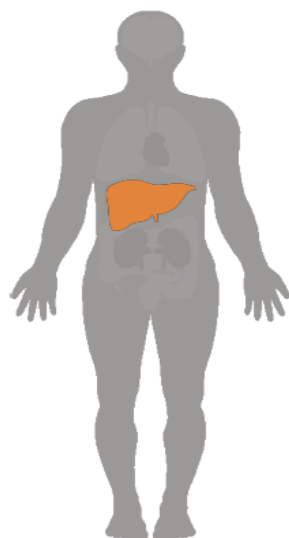


Source: Company reports.

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

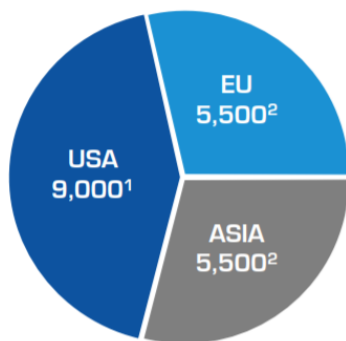
"The ability to accurately quantify fat in the liver, at the point-of-care with ENDRA's TAEUS ultrasound could be revolutionary."

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

TAEUS® Liver Application

RADIOFREQUENCY PULSES CREATE SONIC WAVES THAT QUANTITATE LIVER FAT FRACTION



Illustration of TAEUS probe



Screen shot of TAEUS measurement

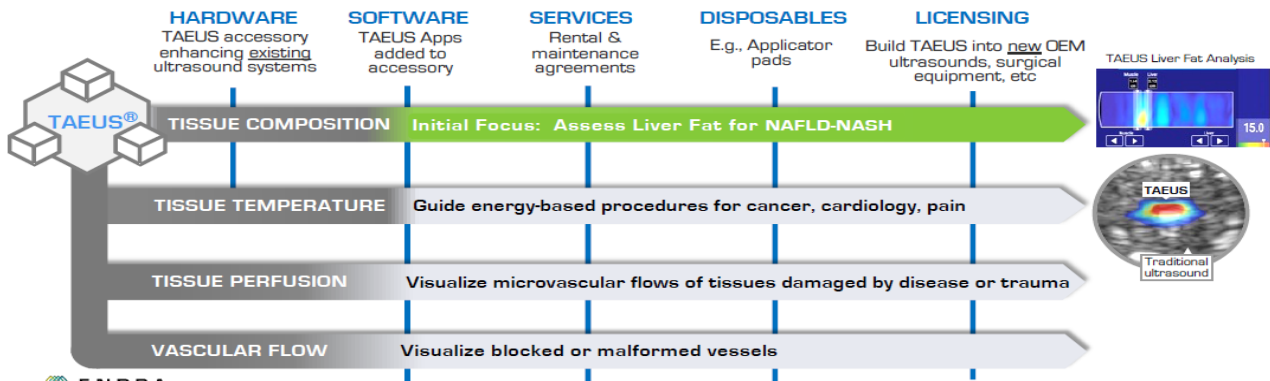
TAEUS PROCEDURE

- Locate liver with any traditional B-mode ultrasound (cart or portable)
- Apply & activate TAEUS probe; each scan takes ~1.5 seconds
- Total procedure ~10 minutes, including patient positioning, ultrasound scan, TAEUS scans
- ✓ TAEUS human feasibility study (n=19), validated against MRI-PDFF. **Sensitivity 0.88 Specificity 0.82 AUROC 0.91 @ MRI 6% steatosis**
- ✓ Development of user guidance tools derived from 100+ study participant exams at clinical sites in 2022
- ✓ CE mark received in Europe
- FDA De Novo request planned in 2023

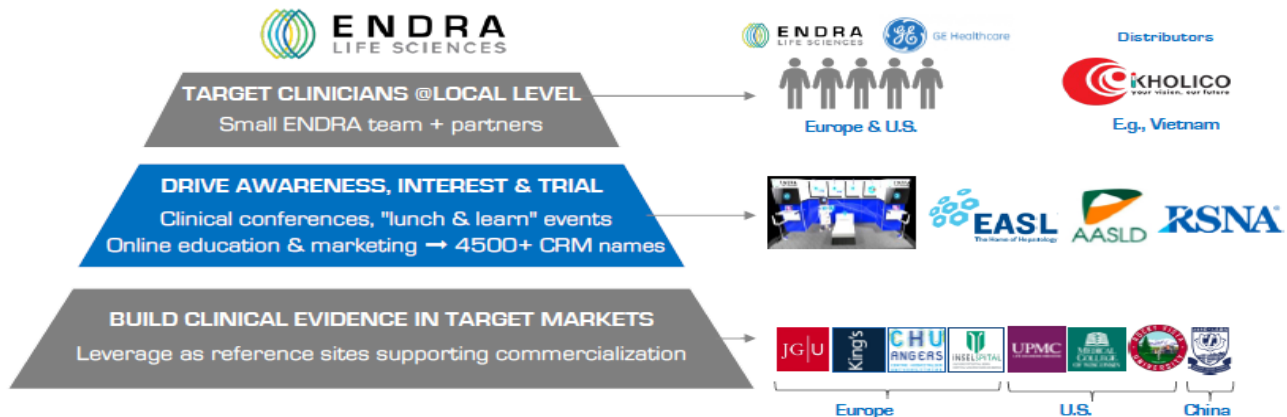


TAEUS® Platform Evolution¹ & Business Model

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 (5-years)



*Reflects a 1:20 reverse stock split in December 2022

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

Exhibit 8: Consensus Expectations (as of May 15, 2023)

	Revenue (mil)			EPS	
	2023E	2024E		2023E	2024E
Q1 Mar	\$0.0E		Q1 Mar	\$(1.04)E	
Q2 Jun	\$0.0E		Q2 Jun	\$(0.89)E	
Q3 Sep			Q3 Sep		
Q4 Dec			Q4 Dec		
Total	\$0.5E	\$1.3E	Total	\$(3.38)E	\$(2.51)E

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

*Reflects a 1:20 reverse stock split in December 2022

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

FINANCIAL MODEL

ENDRA Life Sciences Inc.

Income Statement (\$ mils)	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	Mar-24	Jun-24	Sep-24	Dec-24	2024
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	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	0.0	0.0	0.1	0.1	0.2	0.3	0.4	0.6	1.5
<u>Cost of Revenues</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.2</u>	<u>0.2</u>	<u>0.3</u>	<u>0.8</u>
Gross Profit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.2	0.2	0.3	0.8
Research and development	1.1	1.7	1.2	1.4	5.5	1.2	1.8	1.8	1.7	6.6	1.4	1.5	1.5	1.5	5.9	1.3	1.3	1.3	1.3	5.2
Sales and marketing	0.2	0.3	0.3	0.4	1.1	0.3	0.3	0.4	0.3	1.4	0.2	0.4	0.4	0.4	1.4	0.5	0.5	0.5	0.5	2.0
General and administrative	1.3	1.2	1.2	1.3	4.9	1.3	1.4	1.2	1.3	5.2	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	2.6	3.2	2.7	3.1	11.5	2.9	3.6	3.4	3.3	13.2	2.9	3.3	3.3	3.3	12.8	3.2	3.2	3.2	3.2	12.8
Operating income (loss)	(2.6)	(3.2)	(2.7)	(3.1)	(11.5)	(2.9)	(3.6)	(3.4)	(3.3)	(13.2)	(2.9)	(3.3)	(3.3)	(3.3)	(12.8)	(3.1)	(3.1)	(3.0)	(2.9)	(12.1)
Interest income (expense)					0.0					0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Other income (expense)	0.2	0.0	(0.0)	(0.0)	0.1	(0.0)	(0.0)	(0.0)	0.0	(0.0)					0.0					0.0
Income before income taxes	(2.4)	(3.2)	(2.7)	(3.1)	(11.4)	(2.9)	(3.6)	(3.4)	(3.3)	(13.2)	(2.9)	(3.3)	(3.3)	(3.3)	(12.8)	(3.1)	(3.1)	(3.0)	(2.9)	(12.1)
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)	(2.4)	(3.2)	(2.7)	(3.1)	(11.4)	(2.9)	(3.6)	(3.4)	(3.3)	(13.179)	(2.9)	(3.3)	(3.3)	(3.3)	(12.8)	(3.1)	(3.1)	(3.0)	(2.9)	(12.1)
Nonrecurring/noncash adjustments					0.0					0.0					0.0					0.0
Net income (pro forma)	(2.4)	(3.2)	(2.7)	(3.1)	(11.4)	(2.9)	(3.6)	(3.4)	(3.3)	(13.2)	(2.9)	(3.3)	(3.3)	(3.3)	(12.8)	(3.1)	(3.1)	(3.0)	(2.9)	(12.1)
EBITDA																				
Shares, Basic	1.9	2.1	2.1	2.1	2.0	2.2	3.1	3.2	3.2	2.9	3.2	6.0	7.6	7.7	6.1	7.8	7.9	8.0	8.1	8.0
Shares, Diluted	1.9	2.1	2.1	2.1	2.0	2.2	3.1	3.2	3.2	2.9	3.2	6.0	7.6	7.7	6.1	7.8	7.9	8.0	8.1	8.0
EPS Basic (Pro forma)	(\$1.27)	(\$1.54)	(\$1.27)	(\$1.47)	(\$5.55)	(\$1.33)	(\$1.17)	(\$1.09)	(\$1.04)	(\$4.56)	(\$0.93)	(\$0.55)	(\$0.43)	(\$0.42)	(\$2.09)	(\$0.40)	(\$0.39)	(\$0.38)	(\$0.36)	(\$1.52)
EPS Diluted (Pro forma)	(\$1.27)	(\$1.54)	(\$1.27)	(\$1.47)	(\$5.55)	(\$1.33)	(\$1.17)	(\$1.09)	(\$1.04)	(\$4.56)	(\$0.93)	(\$0.55)	(\$0.43)	(\$0.42)	(\$2.09)	(\$0.40)	(\$0.39)	(\$0.38)	(\$0.36)	(\$1.52)
Margins																				
Gross margin												50%	50%	50%	50%	50%	50%	50%	50%	50%
Research and development												#DIV/0!	#DIV/0!	1500%	5891%	650%	433%	325%	217%	347%
Sales and marketing												#DIV/0!	#DIV/0!	400%	1382%	250%	167%	125%	83%	133%
General and administrative												#DIV/0!	#DIV/0!	1400%	5566%	700%	467%	350%	233%	373%
Operating margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	#####	#####	-1550%	-1017%	-750%	-483%	-803%
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	NM	NM	#####	#####	-1550%	-1017%	-750%	-483%	-803%
YY % change																				
Total Revenue																#DIV/0!	#DIV/0!	#DIV/0!	500%	1400%
Gross margin																#DIV/0!	#DIV/0!	#DIV/0!	500%	1400%
Research and development	-25%	17%	-34%	24%	-7%	6%	6%	56%	17%	20%	15%	-19%	-18%	-10%	-10%	-7%	-13%	-13%	-13%	-12%
Sales and marketing	40%	91%	97%	99%	85%	111%	33%	53%	-14%	33%	-47%	17%	-5%	22%	-3%	175%	25%	25%	25%	45%
General and administrative	-13%	-6%	-11%	38%	-1%	2%	15%	-3%	4%	5%	5%	1%	20%	6%	8%	2%	0%	0%	0%	1%
Operating income (loss)	-17%	11%	-19%	36%	0%	11%	12%	29%	8%	14%	3%	-8%	-3%	-2%	-3%	5%	-8%	-9%	-11%	-6%
Net income (loss)	-28%	11%	-27%	67%	-3%	20%	12%	29%	6%	16%	3%	-8%	-4%	-1%	-3%	5%	-8%	-9%	-11%	-6%
EPS Diluted (Pro forma)	-78%	-61%	-59%	5%	-55%	5%	-24%	-14%	-29%	-18%	-30%	-53%	-60%	-59%	-54%	-57%	-30%	-14%	-15%	-28%

Source: Company reports and Ascendant Capital Markets estimates.

Reflects a 1:20 reverse stock split in December 2022

ENDRA Life Sciences Inc.

Balance Sheet (\$ mils)	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	16.8	14.0	11.8	9.5	7.1	11.3	8.0	4.9	2.4	5.3	2.1	0.2	(2.7)	(5.3)	(8.2)	(10.6)
Short term investments										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable, net										0.0	0.0	0.1	0.2	0.3	0.4	0.7
Inventory	0.7	1.3	1.5	1.3	1.9	2.4	2.6	2.6	2.7	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Deferred income taxes										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other	0.8	1.0	1.2	1.3	1.1	0.8	0.9	1.0	0.4	0.0	0.0	0.1	0.1	0.2	0.2	0.3
Total current assets	18.4	16.3	14.5	12.1	10.1	14.5	11.6	8.5	5.5	5.3	2.1	0.3	(2.4)	(4.8)	(7.5)	(9.6)
Property and equipment, net	0.2	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.4	0.4	0.6	0.6	0.8	1.0
Intangibles, net										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
Other	0.3	0.7	0.7	0.6	0.6	0.6	0.5	0.5	0.9	0.9	0.9	0.0	0.0	0.0	0.0	0.0
Total assets	18.9	17.2	15.3	12.9	10.9	15.3	12.3	9.3	6.7	6.4	3.4	0.7	(1.8)	(4.3)	(6.7)	(8.6)
Liabilities and stockholders' equity																
Accounts payable	0.7	1.5	1.4	1.4	1.2	1.4	1.6	1.5	1.6	0.0	0.0	0.3	0.6	0.9	1.2	1.8
Accrued expenses										0.0	0.0	0.1	0.1	0.2	0.2	0.3
Deferred income tax										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	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Short term debt								0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total current liabilities	0.8	1.6	1.6	1.5	1.4	1.5	1.7	1.7	1.8	0.2	0.2	0.5	0.9	1.2	1.6	2.3
Deferred income taxes										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
Other long term liabilities	0.3	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Long term debt	0.0	0.0	0.0	0.0	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	0.5	0.5	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
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	0.0	0.2	0.5	0.7	0.9	1.2	1.4	1.7
Additional paid-in capital	77.5	77.8	78.7	79.5	80.6	88.5	88.8	89.1	89.3	89.3	89.3	89.3	89.3	89.3	89.3	89.3
Retained earnings	(59.7)	(62.9)	(65.6)	(68.7)	(71.5)	(75.1)	(78.6)	(81.9)	(84.8)	(88.1)	(91.4)	(94.7)	(97.8)	(100.8)	(103.8)	(106.7)
Accumulated other comprehensive income										4.5	4.5	4.5	4.5	4.5	4.5	4.5
Other	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	0.0
Total stockholders' equity	17.9	15.0	13.2	10.8	9.1	13.3	10.2	7.2	4.5	5.9	2.9	(0.1)	(3.0)	(5.8)	(8.6)	(11.2)
Total stockholders' equity and liabil	18.9	17.2	15.3	12.9	10.9	15.3	12.3	9.3	6.7	6.4	3.4	0.7	(1.8)	(4.3)	(6.7)	(8.6)

Balance Sheet Drivers

	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev										50%	50%	50%	50%	50%	50%	50%
Accounts payable as % of total rev										300%	300%	300%	300%	300%	300%	300%
Inventories as % of cost of rev										20%	20%	20%	20%	20%	20%	20%
Accrued expenses as % of total rev										50%	50%	50%	50%	50%	50%	50%
Activity Ratios																
A/R Days Sales Outstanding										100	100	100	100	100	100	100
Inventory Turnover										#DIV/0!	#DIV/0!	0.0x	20.0x	20.0x	20.0x	20.0x
A/P Days Payable										#DIV/0!	#DIV/0!	#DIV/0!	540	540	540	540
Book & Cash Value (per share)																
Book Value per Share (diluted)	\$9.45	\$7.19	\$6.28	\$5.10	\$4.21	\$4.33	\$3.23	\$2.27	\$1.42	\$0.99	\$0.38	-\$0.02	-\$0.39	-\$0.74	-\$1.07	-\$1.39
Cash per Share (diluted)	\$8.92	\$6.74	\$5.63	\$4.47	\$3.31	\$3.66	\$2.54	\$1.54	\$0.74	\$0.88	\$0.27	\$0.02	-\$0.35	-\$0.67	-\$1.02	-\$1.31
Net cash per Share (diluted)	\$8.90	\$6.73	\$5.61	\$4.46	\$3.30	\$3.65	\$2.53	\$1.53	\$0.73	\$0.88	\$0.27	\$0.02	-\$0.35	-\$0.68	-\$1.02	-\$1.32

Source: Company reports and Ascendant Capital Markets estimates

ENDRA Life Sciences Inc.

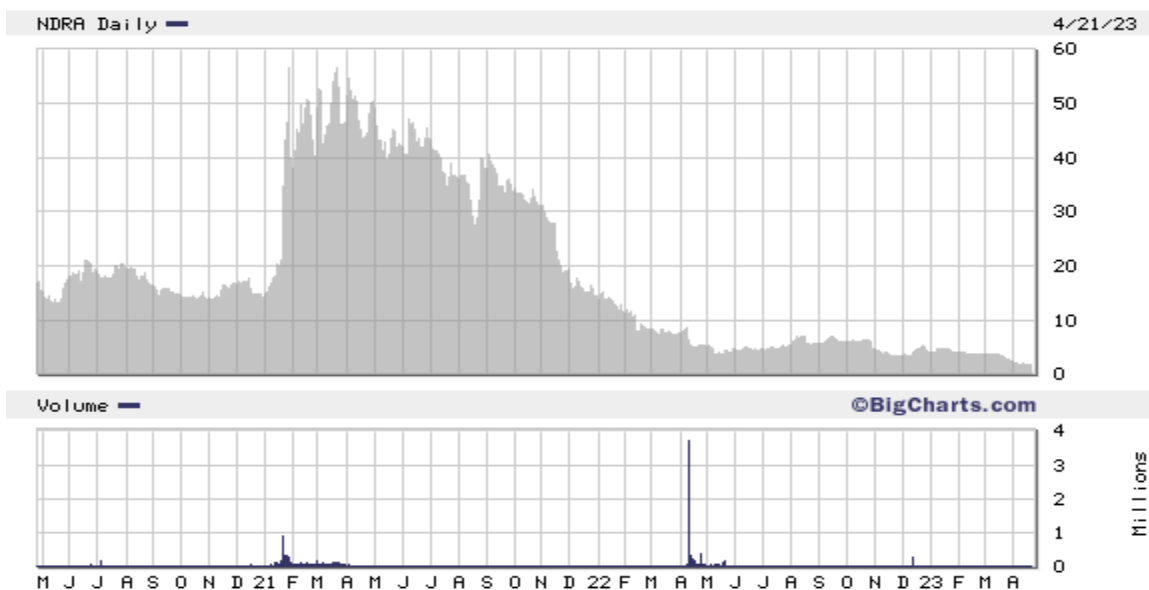
Cash Flow Statement (\$ mils)	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Cash flow from operating activities																					
Net income	(2.3)	(3.2)	(2.7)	(3.1)	(11.2)	(2.9)	(3.6)	(3.4)	(3.3)	(13.2)	(2.9)	(3.3)	(3.3)	(3.3)	(12.8)	(3.1)	(3.1)	(3.0)	(2.9)	(12.1)	
Depreciation	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	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	(0.3)				(0.3)					0.0					0.0					0.0	
Stock comp	0.4	0.3	0.3	0.4	1.4	0.3	0.3	0.3	0.3	1.2	0.2	0.2	0.2	0.2	0.9	0.2	0.2	0.2	0.2	0.9	
Deferred income taxes					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					0.0	
Other gains/losses					0.0					0.0					0.0					0.0	
Other					0.0					0.0					0.0					0.0	
Changes in operating assets and liabilities:																					
Accounts receivable					0.0					0.0		0.0	0.0	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	(0.6)	
Inventory	(0.1)	(0.6)	(0.2)	0.2	(0.7)	(0.6)	(0.4)	(0.3)	(0.0)	(1.4)	(0.1)	2.7	0.0	(0.0)	2.6	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	
Prepaid expenses & other curre	(0.4)	(0.2)	(0.2)	(0.2)	(1.0)	0.3	0.2	(0.1)	(0.1)	0.4	0.1	0.4	0.0	(0.1)	0.5	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)	
Income tax					0.0					0.0					0.0					0.0	
Other assets					0.0					0.0		0.0	0.0	0.9	0.9	0.0	0.0	0.0	0.0	0.0	
Accounts payable	(0.2)	0.8	(0.1)	(0.0)	0.5	(0.2)	0.1	0.2	(0.0)	0.1	0.1	(1.6)	0.0	0.3	(1.2)	0.3	0.3	0.3	0.6	1.5	
Accrued expenses					0.0					0.0		0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.3	
Other liabilities	(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	
Net cash (used in) provided by	(2.9)	(2.8)	(2.7)	(2.7)	(11.1)	(3.1)	(3.3)	(3.2)	(3.1)	(12.769)	(2.5)	(1.5)	(3.0)	(1.9)	(8.9)	(2.6)	(2.6)	(2.5)	(2.3)	(10.1)	
Cash flow from investing activities																					
Purchases of property and equi	(0.0)				(0.0)	(0.1)	(0.1)	(0.0)	(0.0)	(0.2)	(0.0)	(0.0)	(0.2)	(0.0)	(0.3)	(0.2)	(0.0)	(0.3)	(0.2)	(0.7)	
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	(0.0)	(0.1)	(0.1)	(0.0)	(0.0)	(0.2)	(0.0)	(0.0)	(0.2)	(0.0)	(0.3)	(0.2)	(0.0)	(0.3)	(0.2)	(0.7)	
Cash flow from financing activities																					
Issuance of debt					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	
Issuance of stock	9.8		0.5	0.3	10.6	0.9	7.5			8.4		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Proceeds from stock option exe	2.8				2.8					0.0					0.0					0.0	
Other					0.0					0.0		4.5			4.5					0.0	
<u>Dividends and distributions</u>					<u>0.0</u>					<u>0.0</u>					<u>0.0</u>					<u>0.0</u>	
Cash provided by (used in) fina	12.6	0.0	0.5	0.3	13.4	0.9	7.5	0.0	0.0	8.4	0.0	4.5	0.0	0.0	4.5	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	9.6	(2.8)	(2.3)	(2.3)	2.2	(2.3)	4.2	(3.3)	(3.1)	(4.6)	(2.5)	3.0	(3.2)	(1.9)	(4.7)	(2.9)	(2.6)	(2.8)	(2.5)	(10.8)	
Beginning cash and equivalents	7.2	16.8	14.0	11.8	7.2	9.5	7.1	11.3	8.0	9.5	4.9	2.4	5.3	2.1	4.9	0.2	(2.7)	(5.3)	(8.2)	0.2	
Ending cash and equivalents	16.8	14.0	11.8	9.5	9.5	7.1	11.3	8.0	4.9	4.9	2.4	5.3	2.1	0.2	0.2	(2.7)	(5.3)	(8.2)	(10.6)	(10.6)	

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	90.00
2	5/15/2019	Buy	85.00
3	8/12/2019	Buy	65.00
4	11/18/2019	Buy	55.00
5	1/28/2020	Buy	60.00
6	3/29/2020	Buy	50.00
7	5/19/2020	Buy	55.00
8	8/18/2020	Buy	65.00
9	11/21/2020	Buy	70.00
10	4/4/2021	Buy	110.00
11	5/31/2021	Buy	120.00
12	8/23/2021	Buy	130.00
13	11/17/2021	Buy	125.00
14	4/12/2022	Buy	110.00
15	6/5/2022	Buy	100.00
16	9/7/2022	Buy	90.00
17	11/21/2022	Buy	85.00
18	3/28/2023	Buy	30.00

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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.

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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	50	100%	18	36%

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