LITCHFIELD HILLS
R E S E A R C H

Action Summary – 12 November 2020

Analyst Theodore R. O'Neill *is initiating coverage of USA Equities Corp. (USAQ)*

- **We are initiating coverage of USA Equities Corp with a Buy rating and a $5 price target**. Its solely owned subsidiary, Medical Practices Income has developed a unique, cloud-based, medical office and mobile patient education **digital medicine platform** designed to generate new medical practice income for the physician and improve clinical outcomes for the patient.

- The COVID-19 pandemic has caused a wide range of complications in the health care industry globally. With several countries still on lock down trying to curb the spread of the virus these restrictions have a tremendous impact in other areas concerning healthcare. We believe there is growing adoption of healthcare services by phone or online. According to an April 10, 2020 report by Forrester Research, Inc., it expects "virtual care visits will soar to more than one billion this year including 900 million visits related to COVID-19."

- **We estimate the initial available market for USAQ products and services is approximately is approximately $1.6 billion**

- **Although there is limited operating history, commercialization of its platform is proceeding**. Since launching the platform on June 30, 2020, 159 medical practices have provided 374 allergy patients with a QHSLab-generated allergen immunotherapy prescription, generating an estimated $664,608 in reimbursement revenue to these physician's practices.

- **Attractive valuation. The shares appear to us inexpensive and an absolute and relative basis**.

11/11 Closing price: $0.610	Market cap: $4 million	2021 P/E: NMF	EV/2021 Sales: 4
Shares outstanding: 6.3 million	Insider ownership: 52%	Avg. trading volume: 6,258	Dividend/Yield: NA/NA

GAAP estimates (EPS in dollars – Revenue in thousands)

Period	EPS	Revenue	Op Margin
1Q20A	$(0.01)	$0	NMF
2Q20A	$(0.01)	$0	NMF
3Q20E	$(0.01)	$0	NMF
4Q20E	$(0.01)	$0	NMF
FY20E	$(0.04)	$0	NMF
1Q21E	$(0.01)	$50	NMF
2Q21E	$(0.00)	$100	NMF
3Q21E	$0.01	$300	32%
4Q21E	$0.03	$500	40%
FY21E	$0.02	$950	29%
1Q22E	$0.02	$800	24%
2Q22E	$0.05	$1,200	28%
3Q22E	$0.05	$1,250	28%
4Q22E	$0.05	$1,300	27%
FY22E	$0.17	$4,550	27%

Note: Numbers may not add due to rounding. See our full model in the back of this report.

Cash balance (in thousands)

• 2020E	• $110
• 2021E	• $175
• 2022E	• $1,217

Debt (in thousands)

• 2020E	• $400
• 2021E	• $400
• 2022E	• $400

Adj. EBITDA (in thousands)

• 2020E	• ($77)
• 2021E	• ($168)
• 2022E	• $1,123

Risks/Valuation

- Risks include: Highly competitive business; lack of earnings; changes in customer demand; commercialization of technology.
- Our $5 target is derived using a discounted future earnings model

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Company description: USAQ's solely owned subsidiary, Medical Practices Income has developed a unique, cloud-based, medical office and mobile patient education **digital medicine platform** designed to generate new medical practice income for the physician and improve clinical outcomes for the patient.

Figure 1 – USA Equities Corp. – One-year Trading snapshot

Source: Refinitiv

Investment Thesis

We are initiating coverage of USA Equities Corp with a Buy rating and an $5 price target. Its solely owned subsidiary, Medical Practices Income has developed a unique, cloud-based, medical office and mobile patient education **digital medicine platform** designed to generate new medical practice income for the physician and improve clinical outcomes for the patient.

The COVID-19 pandemic has caused a wide range of complications in the health care industry globally. With several countries still on lock down trying to curb the spread of the virus these restrictions have a tremendous impact in other areas concerning healthcare. We believe there is **growing adoption of healthcare services by phone or online**. According to an April 10, 2020 report by Forrester Research, Inc., it expects "virtual care visits will soar to more than one billion this year including 900 million visits related to COVID-19." According to a July 2, 2020 article in the Harvard Business Review, "By making the collection of valuable patient data feasible outside of the clinic, remote monitoring can facilitate care for conditions ranging from chronic diseases to recovery from acute episodes of care. For years, it has been touted as one of the most promising opportunities for health care in the digital age. But the pandemic has underscored its value. Indeed, policy changes introduced during the pandemic due to the riskiness of in-person patient visits have created conditions ripe for its adoption."

We estimate the initial available market for USAQ products and services is approximately is approximately $1.6 billion

Although there is limited operating history, commercialization of its platform is proceeding. Since launching the platform on June 30, 2020, 159 medical practices have provided 374 allergy patients with a QHSLab-generated allergen immunotherapy prescription, generating an estimated $664,608 in reimbursement revenue to these physician's practices.

Attractive valuation. The shares appear to us inexpensive and an absolute and relative basis. Our $5 price target is derived from a discounted earnings stream model.

Valuation Methodology

We believe USAQ is undervalued and we support that belief with two valuation techniques, both of which generate approximately the same figure: $5.00. For the purposes of determining our price target we use a discounted future earnings model. For the purpose of confirming our price target we look at comparable company valuations:

1) The discounted value of all future earnings was used for our price target (see Figure 2)
2) Valuation relative to peers (see Figure 3)

Discounted Future Earnings – Basis for Price Target

Our 12-month price target of $5.00 is based on a discounted future earnings model (Figure 2). For the purposes of deriving an earnings-based price target, we assume the company incurs losses until 3Q21 and we take, what we think is a very conservative approach to earnings growth. The model sums up all earnings per share, discounted at 12% to arrive at a per share valuation. Note, this model understates future novel product developments, probably understates the tax benefits, but offsetting that, the earnings never have a down year.   The implied share price is $5.68 which we round down to $5.00.

Figure 2 – USA Equities Corp. – Implied Price Target Calculation

Disc. Future Earnings		$5.68
Year	EPS	Discounted EPS
2020	($0.03)	($0.03)
2021	$0.02	$0.02
2022	$0.17	$0.14
2023	$0.25	$0.18
2024	$0.35	$0.22
2025	$0.40	$0.23
2026	$0.50	$0.25
2027	$0.75	$0.34
2028	$0.83	$0.33
2029	$0.91	$0.33
Terminal Value:		$3.67

Source: Litchfield Hills Research LLC

Valuation Relative to Peers

Here we are going to use a multiple of sales because the company is not yet profitable. The average sales multiple looking into next year is 7.43 (See Figure 6 for a table of Comparables). Based on our estimates for 2022, and using the average sales multiple, if USAQ reaches $4.3MM of revenue, it would have a market cap of ~$32MM or ~$5.28 per share (Figure 3).

Figure 3 –USA Equities Corp. – Summary Discount to Peers

	Implied Share Price Calculation
Average Peers 2021 Sales Multiple	7.43
Our 2022 Revenue Estimate	$4.55MM
Implied Market Cap	$32MM
Estimated Share Count	6.4MM
Implied Share Price	**$5.28**

Source: Litchfield Hills Research LLC and Refinitiv Eikon

Guidance and Financial Forecasts

The company provides no guidance. Our financial forecast makes many assumptions in order to determine a valuation. We have tried to be as conservative as possible, but the nature of this particular business is that if it can get very profitable very quickly. If the products are accepted and priced as the company hopes, we believe our model may turn out to be conservative in terms of earnings growth

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Company Overview

Digital Medicine, Telemedicine and Remote Patient Monitoring

The COVID-19 pandemic has caused a wide range of complications in the health care industry globally. With several countries still on lock down trying to curb the spread of the virus these restrictions have a tremendous impact in other areas concerning healthcare. Pharmaphorum.com reported that 61% of physicians outside of the US (OUS) anticipate a decrease in in-person visits as they shift to virtual tools to meet patients. While 91% of physicians (OUS) report higher consumption of online medical content. Which indicates that a possible widespread adoption of telemedicine is already here. Remote monitoring is the next evolutionary step. Adoption of healthcare services by phone or online means you healthcare can be anywhere, and it is. According to an April 10, 2020 report by Forrester Research, Inc., it expects "virtual care visits will soar to more than one billion this year including 900 million visits related to COVID-19."

Further speaking to the adoption of Digital Medicine, according to a July 2, 2020 article in the Harvard Business Review, "By making the collection of valuable patient data feasible outside of the clinic, remote monitoring can facilitate care for conditions ranging from chronic diseases to recovery from acute episodes of care. For years, it has been touted as one of the most promising opportunities for health care in the digital age. But the pandemic has underscored its value. Indeed, policy changes introduced during the pandemic due to the riskiness of in-person patient visits have created conditions ripe for its adoption."

Digital medicine products are driven by high-quality hardware and software that support health research and the practice of medicine broadly, including treatment, recovery, disease prevention, and health promotion for individuals and across populations. Whereas traditional health measures represent a snapshot in time – a lab result, a diagnostics image, a blood pressure reading or a note in a medical record – connected digital medicine applications and devices can offer longitudinal and highly personalized windows into personalized human health.

Digital medicine products can be used independently or in concert with pharmaceuticals, biologics, devices, or other products

to optimize patient care and health outcomes. A key component of digital medicine is the transformation of raw physiological and environmental signals or active patient responses to surveys into health indicators that can be used to monitor, predict and modify aspects of health and disease. This data is processed, transformed and used to build computational models whose output represents the health indicators of interest. Digital medicine empowers patients and healthcare providers with intelligent and accessible tools to address a wide range of conditions through high quality, safe, and effective measurements and data-driven interventions.

Digital Therapeutics, a derivative of digital medicine, extend physicians' reach by overcoming time, place and personnel constraints that limit health-care delivery, creating better access, convenience and efficiency. As well as being considered treatments in their own right, digital therapeutics are proving useful in helping people to gain the maximum benefit from conventional pharmaceutical therapies. Provisions in the Affordable Care Act are making healthcare provider reimbursements dependent on outcomes and data capture, giving health-care providers an economic incentive to tackle patient adherence to prescriptions with fewer unnecessary medical interventions, all with the aim of taking better care, delivering better quality of life, producing better outcomes with fewer resources and lowering overall costs to the health care system.

While best practices and standards of care comparable to conventional medical care have yet to be established for Digital Medicine, it is inevitable that many kinds of technology-enabled remote monitoring, diagnosis, and patient treatments are going to be part of our pandemic world.

Reimbursements

Before the COVID-19 public health emergency, Medicare coverage of Remote Patient Monitoring (RPM) services was limited to patients with one or more chronic conditions. However, as patients were being encouraged (and in some places ordered) to stay at home, the need for RPM to treat patients with acute, time-limited conditions became all the more critical.

In response to pressure from Congress and calls from Healthcare Information and Management Systems Society, Inc. (HIMSS) and other groups to utilize RPM to treat these patients, the Centers for Medicare & Medicaid Services (CMS) issued specific guidance around RPM as part of their "Medicare and Medicaid Programs; Policy and Regulatory Revisions in Response to the COVID-19 Public Health Emergency" interim final rule with comment period.

In the rule, CMS made a number of changes to how they cover RPM, both for the duration of the public health emergency as well as permanent fixes. Specifically, CMS clarified that going forward, RPM could be used for patients with both acute and/or chronic conditions, not just limited to patients with only chronic conditions.

Additionally, for the duration of the COVID-19 pandemic, CMS has clarified that RPM could be provided to new patients as well as established patients, and that consent could be obtained once annually. These changes by CMS to how providers can utilize RPM will have profound benefits going forward, both in our immediate response to the unique COVID-19 challenges as well Medicare's long-term ability to provide the best care to patients.

CPT codes exist for all components necessary for the provision of RPM, they include:

CPT Code 99453: Remote monitoring of physiologic parameter(s) (e.g., weight, blood pressure, pulse oximetry, respiratory flow rate), initial; set-up and patient education on use of equipment. (Initial set-up and patient education of monitoring equipment)

CPT Code 99454: Device(s) supply with daily recording(s) or programmed alert(s) transmission, each 30 days. (Initial collection, transmission, and report/summary services to the clinician managing the patient)

CPT Code 99457: Remote physiologic monitoring treatment management services, clinical staff/physician/other qualified health care professional time in a calendar month requiring interactive communication with the patient/caregiver during the month; first 20 minutes

CPT Code 99458: Each additional 20 minutes (List separately in addition to code for primary procedure)

CPT Code 99091: Collection and interpretation of physiologic data (e.g., ECG, blood pressure, glucose monitoring) digitally stored and/or transmitted by the patient and/or caregiver to the physician or other qualified health care professional, qualified by education, training, licensure/ regulation (when applicable) requiring a minimum of 30 minutes of time, each 30 days.

USA Equities Corp.

USA Equities is a holding company. It acquired all the shares of Medical Practice Income, Inc. on December 20, 2019 and now is its wholly owned subsidiary.

Medical Practice Income (MPI)

MPI is focused on value-based healthcare, informatics and algorithmic personalized medicine including digital therapeutics, behavior based remote patient monitoring, chronic care and preventive medicine. Its principle objectives are to develop proprietary software tools and approaches, providing more granular, timely and specific clinical decision-making information for practicing physicians and other health care providers.

It has developed a high-level, fully automated cloud-based Software as a Medical Service (SaaMS) system named the Quality Health Score Lab Expert System ("QHSLab") which provides physicians and other healthcare organizations with an advanced platform to securely capture and store patient information electronically in a secure database. The patients' data is intelligently filtered, analyzed and processed according to specific and proprietary algorithms. Since launching the platform on June 30, 2020, 159 medical practices have provided 374 allergy patients with a QHSLab-generated allergen immunotherapy prescription, generating an estimated $664,608 in reimbursement revenue to these physician's practices.

The QHSLab Expert System is designed to be capable of handling large quantities of data, without compromising security, accuracy or precision. It does not require expensive human resources to perform low-level mundane tasks. Design parameters within it can be set to accommodate prospective client physician and healthcare organization policy. The cloud-based software and IT system currently will easily scale to allow a virtually unlimited number of user sessions to be activated, all of which ultimately tap into the same software and database. The QHSLab approach to user capacity will be able, with certainty by utilizing a set, well-known path built into our third-party 'robust' cloud server infrastructure, to not only scale to a large number of users, but it will also be built on a globally-scalable architecture, allowing MPI to deliver high availability to users in just about any geographic region.

The importance of identifying health risks and the indicators to be identified varies within different healthcare settings and sectors. Some healthcare settings require psychological data while others require a detailed medical history and list of medications. Certain industries have increased occupational risk factors and health surveillance profiling must be specifically tailored for that industry. To address these unique needs, the QHSLab utilizes three primary areas: assessment, scoring and feedback.

Assessment

Assessment collects behaviors of interest, health and medical data, and psychosocial variables considered important determinants of disease risk and behavioral change. The Questionnaire and Survey Creator is a generic tool that allows the clinical user of QHSLab to build specific 'dynamic forms' for medical and health assessments that allow for variations within the setting or industry that ultimately do not harm the integrity of the overall collection of research-based health data for wider analysis. The generic form creator allows QHSLab to build data sets tailored to specific user-groups, users and customer requirements. These settings allow for specificity when benchmarking populations and organizations within industries.

Scoring

Scoring is guided by computer-based decision rules, also known as Artificial Intelligence or AI, using pre-programmed mathematical algorithms. For example, the Quality Health Score™ (QHS) Algorithm makes use of an individual's accumulated health risk data over time and pin points necessary changes to lower health risk based on behavioral and psychological principles, which programmatically guide the individual to lower his health risk. The QHS algorithm adapts to the individual's changes and resets goals and plan of direction, through 'Machine Learning' and 'Big Data Analytics' methodologies.

Feedback

Feedback provides individually tailored reports. QHSLab Feedback Reports utilize incoming responses from assessments, the calculations from scoring algorithms and combine key words, sentences and paragraphs in a manner most likely to effect behavioral change beneficial to the user. The underlying constructs that guide the expert system stem from behavioral theory and computerized AI. QHSLab provides normative (compared with population norms) and ipsative (compared with previous scores) feedback on salient variables relevant to the general population and the specific individual being served.

Advantages of the QHSLab Expert System

QHSLab has the potential to play the same role in behavioral medicine and lifestyle interventions that pharmacological interventions play in biological medicine. It will help physicians and healthcare organizations overcome a number of barriers preventing adoption of behavioral and therapeutic change programs for health promotion and disease prevention through easy to use digital applications.

Through purposeful design, the QHSLab Expert System provides for the following:

- Conduct a comprehensive assessment of patient behaviors, lifestyle and disease risk
- Integrate into existing physician and healthcare interventions
- Collect and compile relevant, empirical data
- Utilize this information for decision making (both artificial and naturalistic)
- Account for individual differences yet be appropriate for whole populations
- Provide guidelines for consistent decisions
- Demonstrate flexibility by allowing new variables to be added
- Require relatively low-skilled IT involvement in assessment or patient program development
- Maximize revenue by providing less costly 'digital' alternatives to face-to-face interactions.

A complete assessment is one that covers the entire range of patient behaviors, lifestyle and disease risk. QHSLab is designed to be modifiable and synergistic with other interventions patients currently employ and complementary to their clinical encounters.

Interventions will be ideal for population-based approaches. In its first iteration, QHSLab provides an efficient means of screening. Its interactive programs will branch into in-depth assessment when a problem area is identified. Then QHSLab will include a large array of interventions that can be matched to individual user requirements.

QHSLab also incorporates a wide variety of different intervention materials. The AI driven approaches range from motivational materials for participants in early stages to detailed advice and support for participants in later stages of behavioral change. As a participant progresses (or regresses), different intervention materials will be available.

The system provides an automated recording device so that minimal amounts of progress can be detected and reinforced. Gathering data through automation provides an extensive empirical data base that can be used to both serve the participant and provide an evaluation of the effectiveness of the system. Since health risk prevention can be very expensive in terms of the resources required to provide services to all participants, QHSLab represents a far less costly alternative.

While the QHSLab is currently being used by physicians in their office, a mobile app is being developed that looks like what we show in Figure 4.
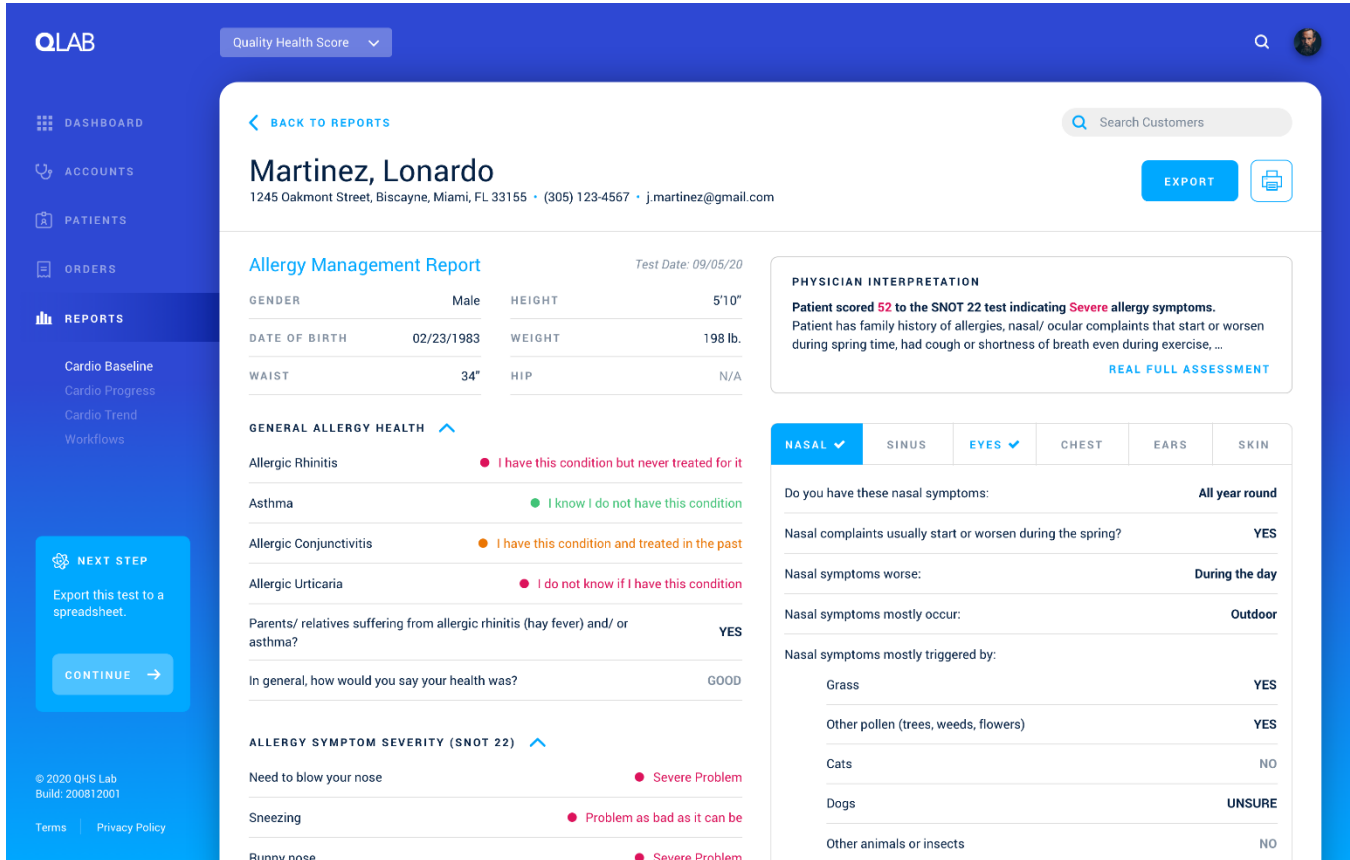
Figure 4 – USA Equities Corp. – Phone App Sample
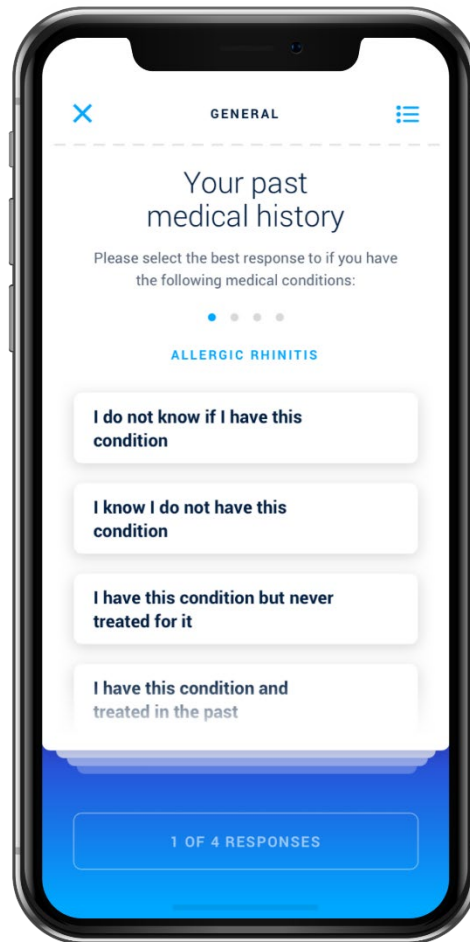
Source: Company presentation

The physician's view is shown in a dashboard that analyses the patient, in this case, it is an Allergy Management Report (Figure 5)

Figure 5 – USA Equities Corp. – Physicians Dashboard

Source: Company Presentation

Revenue model and Addressable Market

The company is projecting entry level monthly subscriptions will be $299/month or $3,588 per year. Its near-term projection is to acquire 5,000 physician clients by the end of 2023 and over 20,000 physicians in the medium to longer term, which is still less than five percent of the total target physician audience in the US today. According to a Sept 2, 2020 press releases in the Journal of Pharma and Healthcare: "There are over 450,000 primary care physicians, including licensed nurse practitioners, in the United States."

With a range between $3,588/- $10,000 per physician per year, it creates an addressable $1.6 billion annual market. Capturing just 5% of this market would generate revenue of at least $87 million.

Strategy

The company is addressing multiple paths to revenue growth:

1) Organic growth
2) Acquisition of complimentary devices/equipment
3) Addressing additional health and wellness issues

Organic growth

The near-term objective is to acquire five thousand physicians by 2023, which would generate $17.9MM.

All current and future products and services will be sold through the same distribution channel and customer base allowing it to generate additional revenue without the customer acquisition cost.

Additional future distribution channels will come from licensed nurse practitioners starting their own private practices, walk-up clinics at pharmacies, urgent care clinics in grocery stores, and workplace health clinics for the large self-insured employers seeking healthcare cost savings by providing their employees with cost effective access to primary health care at their place of work.

Acquiring complimentary devices/equipment

Focused on addressing allergy diagnostics and cardiovascular disease risk in primary care.

These two significant medical conditions impact close to half of the US population each year.

There are approximately 330 million people in the US. Two million of those die each year from the top ten killers. Heart disease and stroke account for fifty percent of these top ten causes of death. And fifty percent of these deaths occur without warning.

Without more sensitive and intuitive tools, physicians currently have very little insight into the degree of risk their patient has from this silent killer during their routine examination.

MPI intends to provide a new and highly sensitive device to address this issue non-invasively without the need for a referral to a vascular laboratory for invasive and potentially unwarranted procedures.

Allergies affect over sixty million Americans and while there are 5,000 practicing allergists in the U.S., they are distributed unevenly across the country leaving many patients without access. To treat this population, primary care physicians are relied upon to manage allergy and asthma patients.

On October 23, 2020, the company entered into an exclusive distribution with MedScience Research Group, Inc., a Florida Corporation ("MedScience"), whereby MedScience granted the Company an exclusive right to distribute its allergy diagnostic and allergen immunotherapy system named AllergiEnd® and related components for sale to physicians other than allergy specialists. This device will interface with the QHSLab platform.

Addressing additional health and wellness issues

Medical Practice Income's digital medicine tools support nutrition, fitness, and physical activity, as well as quality of life issues such as worry, stress, and depression.

It will continually assess changing symptoms and more granular lifestyle behaviors for a complete personalized analysis, informing physicians of their patients' true health status.

Management

Troy J. Grogan, Chairman, Director, President, and Chief Executive Officer

Troy Grogan has served as Chairman and CEO since June 2016. His background is in health promotion, healthcare technology, and medical education– originally in Australia. He was appointed by the Minister of Health to one of Australia's largest health systems in Sydney and served on numerous committees for over ten years, overseeing annual budgets in excess of 1.6 billion

dollars. He has also been a medical device manufacturer, founded a workplace wellness company, and co-developed numerous University-affiliated Continuing Medical Education programs for physicians and healthcare providers.

Scientific and Medical Board of Advisors

Alex Mirakian, MD.

Dr. Alex Mirakian is a US Board Certified physician specializing in Radiation Oncology and previously served as a Fellow with the MD Anderson Cancer Center in Houston, TX, following with a distinctive fellowship in brachytherapy, stereotactic radiosurgery and intraoperative radiotherapy at Beth Israel Medical Center in New York. Dr. Mirakian specializes in breast, genitourinary, lung, head and neck, skin, and GI cancers. He has 18 years of experience in radiation oncology, four years of internal medicine, and established the first HDR brachytherapy program for the treatment of prostate cancer at Fred J. Woods Radiotherapy Center in Tampa Bay, FL. He also has extensive experience in stereotactic radiotherapy particularly with Cyberknife treatments over the past 12 years and has an ongoing interest in population-based cancer screenings.

Marcos Sanchez-Gonzalez MD, PhD.

Exercise & Cardiovascular Physiology. Dr. Sanchez-Gonzalez has 15 years of experience in academic institutions at various levels, which has given him a broad understanding of healthcare and medical education. He has conducted research, in both universities and hospital settings, on areas revolving quality improvement, patient outcomes, and is training post-doctoral fellows and graduate students in their research projects, thesis, and dissertations. He has contributed as a physiologist in the development of biomedical devices for both scientific research and medical use. As an investigator, Dr. Sanchez-Gonzalez is a Junior Investigator with the National Institutes of Health (NIH) Minority Programs to Increase Diversity Among Individuals Engaged in Health-Related Research (PRIDE-CGE) and grant reviewer.

Reza Yavari, MD.

Reza Yavari M.D. is a Board-Certified Endocrinologist trained at the Yale School of Medicine. Dr. Yavari has advanced degrees from UC Berkeley, University of Paris Medical School VII, Sorbonne University, UCONN Health Center and the Yale School of Medicine. At Yale, Dr. Yavari pursued his specialty training in Endocrinology and was a Howard Hughes Fellow in Molecular Genetics. Since 2000, he has been a leader in the field of lifestyle management and wellness as the founder of Beyond Care®, a pioneering preventive care and Yale-affiliated diabetes and obesity center in Madison, CT. In 2005, Dr. Yavari's was asked to write the first self-care book for reversing metabolic syndrome titled It Must Be My Metabolism (McGraw- Hill, 2006.) Dr. Yavari's approach and his book were featured in the New York Times, the Yoga Journal, Shape Magazine, NPR, CNN News Live, More magazine, among other national press and media.

Figure 6 – USA Equities Corp. – Comp Table

Ticker	Company Name	11/10 Close	Market Cap $MM	EV $MM	Price to Book	2021 Sales Multiple	2021 EV / Sales
DXCM.O	DexCom Inc	343.84	33,018.13	32,113.83	22.02	14.15	13.76
TDOC.K	Teladoc Health Inc	177.98	24,997.03	24,783.66	6.73	16.53	16.39
QDEL.O	Quidel Corp	203.66	8,567.50	8,496.65	10.08	2.69	2.67
AKER.OL	Aker ASA	47.72	3,622.37	10,137.97	1.72		
SWAV.O	Shockwave Medical Inc	82.00	2,788.23	2,573.12	11.36	22.34	20.62
TCMD.O	Tactile Systems Technology Inc	39.67	790.58	718.92	7.06	3.44	3.13
ZYXI.O	Zynex Inc	13.58	516.95	430.68	8.76	3.62	3.01
SMLR.PK	Semler Scientific Inc	67.06	446.49	432.85	25.86	8.32	8.06
IIN.O	IntriCon Corp	13.02	132.85	89.15	1.31	1.12	0.75
NMRD.O	Nemaura Medical Inc	3.83	95.24	86.51	41.58		
CEMI.O	Chembio Diagnostics Inc	4.11	82.92	64.74	2.14	2.47	1.93
BMRA.O	Biomerica Inc	6.08	71.46	64.52	5.68	3.24	2.92
GWHP.PK	Global Wholehealth Partners Corp	1.13	67.76	67.82	NA		
OPGN.O	OpGen Inc	2.11	42.19	47.45	1.99	3.80	4.27
DECN.PK	Decision Diagnostics Corp	0.13	18.83	19.89	9.51		
ALRT.PK	ALR Technologies Inc	0.07	18.01	43.76	NA		
NEMD.PK	iNeedMD Holdings Inc	0.20	10.53	10.53			
NAOV.O	Nanovibronix Inc	0.60	7.17	7.59	NA		
HDII.PK	Hypertension Diagnostics Inc	0.03	3.91	8.52	NA		
GTHP.PK	Guided Therapeutics Inc	0.29	3.73	8.72	NA		
EQUR.PK	E-QURE Corp	0.10	3.45	3.38	NA		
CTTC.PK	Calmare Therapeutics Inc	0.08	2.92	2.92			
ESMC.PK	Escalon Medical Corp	0.14	1.03	1.71	0.68		
	AVERAGE				10.43	7.43	7.05

Source: Litchfield Hills Research LLC and Refinitiv Eikon

Figure 7 – USA Equities Corp. – Income Statement ($000)

December ending year	2018 Year	2019 Year	2020E Q1A	Q2A	Q3A	Q4E	2020E Year	2021E Q1A	Q2A	Q3A	Q4E	2021E Year	Q1A	2022E Q2A	Q3A	Q4E	2022E Year
Total revenue	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$50.0	$100.0	$300.0	$500.0	$950.0	$800.0	$1,200.0	$1,250.0	$1,300.0	$4,550.0
Cost of Goods	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$25.0	$20.0	$90.0	$150.0	$285.0	$400.0	$600.0	$625.0	$650.0	$2,275.0
Gross Profit	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$25.0**	**$80.0**	**$210.0**	**$350.0**	**$665.0**	**$400.0**	**$600.0**	**$625.0**	**$650.0**	**$2,275.0**
G&A	$27.4	$53.9	$23.1	$15.0	$15.0	$15.0	$68.2	$20.0	$30.0	$40.0	$50.0	$140.0	$60.0	$70.0	$80.0	$100.0	$310.0
R&D	$0.0	$100.2	$27.6	$20.3	$20.0	$20.0	$87.9	$20.0	$20.0	$20.0	$20.0	$80.0	$20.0	$20.0	$20.0	$20.0	$80.0
Marketing	$0.0	$0.0	$0.0	$19.9	$20.0	$20.0	$59.9	$20.0	$50.0	$75.0	$100.0	$245.0	$150.0	$200.0	$200.0	$200.0	$750.0
Total Operating Expenses	$27.4	$53.9	$23.1	$34.9	$35.0	$35.0	$128.0	$40.0	$80.0	$115.0	$150.0	$385.0	$210.0	$270.0	$280.0	$300.0	$1,060.0
Operating Income	**($27.4)**	**($53.9)**	**($23.1)**	**($34.9)**	**($35.0)**	**($35.0)**	**($128.0)**	**($15.0)**	**$0.0**	**$95.0**	**$200.0**	**$280.0**	**$190.0**	**$330.0**	**$345.0**	**$350.0**	**$1,215.0**
Operating income %	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	32%	40%	29%	24%	28%	28%	27%	27%
Total Other Items	($11.3)	($12.4)	($27.7)	($6.6)	($6.0)	($6.0)	($46.3)	($27.7)	($6.6)	($6.0)	($6.0)	($46.3)	($27.7)	($6.6)	($6.0)	($6.0)	($46.3)
Pre-Tax Income	**($38.6)**	**($66.3)**	**($50.8)**	**($41.5)**	**($41.0)**	**($41.0)**	**($174.4)**	**($42.7)**	**($6.6)**	**$89.0**	**$194.0**	**$233.7**	**$162.3**	**$323.4**	**$339.0**	**$344.0**	**$1,168.7**
Taxes (benefit)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Tax Rate	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Net Income (loss)	**($38.6)**	**($166.5)**	**($78.4)**	**($61.9)**	**($61.0)**	**($61.0)**	**($262.3)**	**($42.7)**	**($26.6)**	**$69.0**	**$174.0**	**$153.7**	**$142.3**	**$303.4**	**$319.0**	**$324.0**	**$1,088.7**
EPS, as reported	**(0.01)**	**(0.03)**	**(0.01)**	**(0.01)**	**(0.01)**	**(0.01)**	**(0.04)**	**(0.01)**	**(0.00)**	**0.01**	**0.03**	**0.02**	**0.02**	**0.05**	**0.05**	**0.05**	**0.17**
Diluted Shares Outstanding	3,590	5,411	5,763	6,084	6,100	6,100	6,012	6,100	6,100	6,400	6,400	6,250	6,400	6,400	6,400	6,400	6,400

Source: Company reports and Litchfield Hills Research LLC

Figure 13 – USA Equities Corp. – Balance Sheet ($000)

December ending year		FY2022E	FY2021E	FY2020E	FY2019
Balance sheet					
Current Assets					
Cash and S.T.I.		$1,217.3	$174.9	$110.5	$23.6
Accounts receivable		2.0	1.0	0.5	2.8
Inventories		0.5	0.1	0.0	0.0
Other assets		0.1	0.0	0.0	0.0
Total Current Assets		**1,219.9**	**176.0**	**111.0**	**26.3**
Net PP&E		0.0	0.0	0.0	0.0
Other non-current assets		0.0	0.0	0.0	0.0
Total Assets		**$1,219.9**	**$176.0**	**$111.0**	**$26.3**
Current Liabilities					
Accounts payable		0.2	1.0	35.0	20.9
Advances due to related party		0.0	44.0	44.0	0.0
Other current liabilities		0.2	0.2	0.0	0.0
Total current liabilities		**0.4**	**45.2**	**79.0**	**20.9**
Accrued interest expense		1.3	1.3	105.0	93.5
Convertible note payable		400.0	400.0	400.0	341.7
Total Liabilities		**401.7**	**446.5**	**584.0**	**456.1**
Stockholders' Equity					
Preferred stock		0.0	0.0	0.1	0.1
Common stock		0.0	0.0	0.6	0.6
Additional paid-in-capital		1,200.0	1,200.0	1,150.0	990.9
Retained earnings		(381.4)	(1,470.1)	(1,623.8)	(1,421.3)
Cum. trans. adj. and treasury stock		(0.4)	(0.4)	0.0	0.0
Total stockholders' equity		818.2	(270.5)	(473.0)	(429.8)
Total Liabilities and equity		**$1,219.9**	**$176.0**	**$111.0**	**$26.3**

Source: Company reports and Litchfield Hills Research LLC

Figure 14 – USA Equities Corp. – Cash Flow ($000)

Cash Flow	2022E	2021E	2020E	2019
Net Income	$1,088.67	$153.67	($202.42)	($166.52)
Accounts receivable	(1.00)	(0.50)	2.25	(1.00)
Inventories	(0.40)	(0.10)	0.00	0.00
Other assets	(0.10)	0.00	0.00	0.00
PP&E	0.00	0.00	0.00	0.00
Intangibles net of depr.	0.00	0.00	0.00	0.00
Long term assets	0.00	0.00	0.00	0.00
Accounts payable	(0.80)	(34.00)	14.06	20.40
Advances due to related party	(44.00)	0.00	44.00	(109.98)
Accrued interest expense	0.00	0.00	0.00	(95.57)
Other current liabilities	0.00	0.20	0.00	0.00
Accrued interest expense	0.00	(103.70)	11.50	93.50
Convertible note payable	0.00	0.00	58.31	12.51
Preferred stock	0.00	(0.11)	0.00	0.11
Common stock	0.00	(0.57)	0.02	0.22
Additional paid-in-capital	0.00	50.00	159.14	269.92
Accumulated other comp. loss	0.00	(0.40)	0.00	0.00
Other				
Total Cash Flow	$1,042.37	$64.49	$86.87	$23.59

Source: Company reports and Litchfield Hills Research LLC

Disclosures:

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