

Action Summary – 28 February 2022

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

- **We are re-initiating coverage of USA Equities Corp with a Buy rating and a \$5 price target.** It provides primary care physicians both digital healthcare solutions and point of care diagnostic tests. Its flagship product, QHSLab, has garnered enough brand recognition that the company decided to make QHSLab, Inc. its permanent name effective December 2021 (officially waiting for FINRA signoff).
- **Demonstrated organic and inorganic growth.** The company has made significant progress in 2021 transforming from a single subsidiary; Medical Practices Income, a unique, cloud-based, medical office and mobile patient education digital healthcare platform designed to generate new medical practice income for the physician and improve clinical outcomes for the patient to three subsidiaries, now including: QHSLab and AllergiEnd®. In the process, it has gone from no revenue to over \$1MM in the first nine months of 2021.
- **Management and advisor team expansion.** In the last year, the company significantly expanded its management and advisory team to support its continued growth.
- **Attractive valuation. Trading at an EV/Sales of 0.60, the shares appear to us inexpensive on an absolute and relative basis.**

2/25 Closing price: \$0.45	Market cap: \$4 million	2023 P/E: NMF	EV/2023 Sales: 0.60
Shares outstanding: 8.67 million	Insider ownership: 74%	Avg. trading volume: 4,500	Dividend/Yield: NA/NA

GAAP estimates (EPS in dollars – Revenue in thousands)

Period	EPS	Revenue	Op Margin
1Q21A	\$(0.01)	\$304	NMF
2Q21A	\$(0.02)	\$456	NMF
3Q21A	\$(0.03)	\$324	NMF
4Q21E	<u>\$(0.02)</u>	<u>\$400</u>	<u>NMF</u>
FY20E	<u>\$(0.09)</u>	<u>\$1,484</u>	<u>NMF</u>
1Q22E	\$(0.02)	\$500	(32%)
2Q22E	\$(0.02)	\$700	(16%)
3Q22E	\$(0.01)	\$1,000	(2%)
4Q22E	<u>\$0.01</u>	<u>\$1,300</u>	<u>8%</u>
FY22E	<u>\$(0.04)</u>	<u>\$3,500</u>	<u>(5%)</u>
1Q23E	\$0.01	\$1,400	8%
2Q23E	\$0.02	\$1,800	13%
3Q23E	\$0.04	\$2,250	17%
4Q23E	<u>\$0.07</u>	<u>\$3,000</u>	<u>21%</u>
FY23E	<u>\$0.14</u>	<u>\$8,450</u>	<u>16%</u>

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

Cash balance (in thousands)

• 2021E	• \$345
• 2022E	• \$282
• 2023E	• \$1,677

Debt (in thousands)

• 2021E	• \$900
• 2022E	• \$900
• 2023E	• \$900

Adj. EBITDA (in thousands)

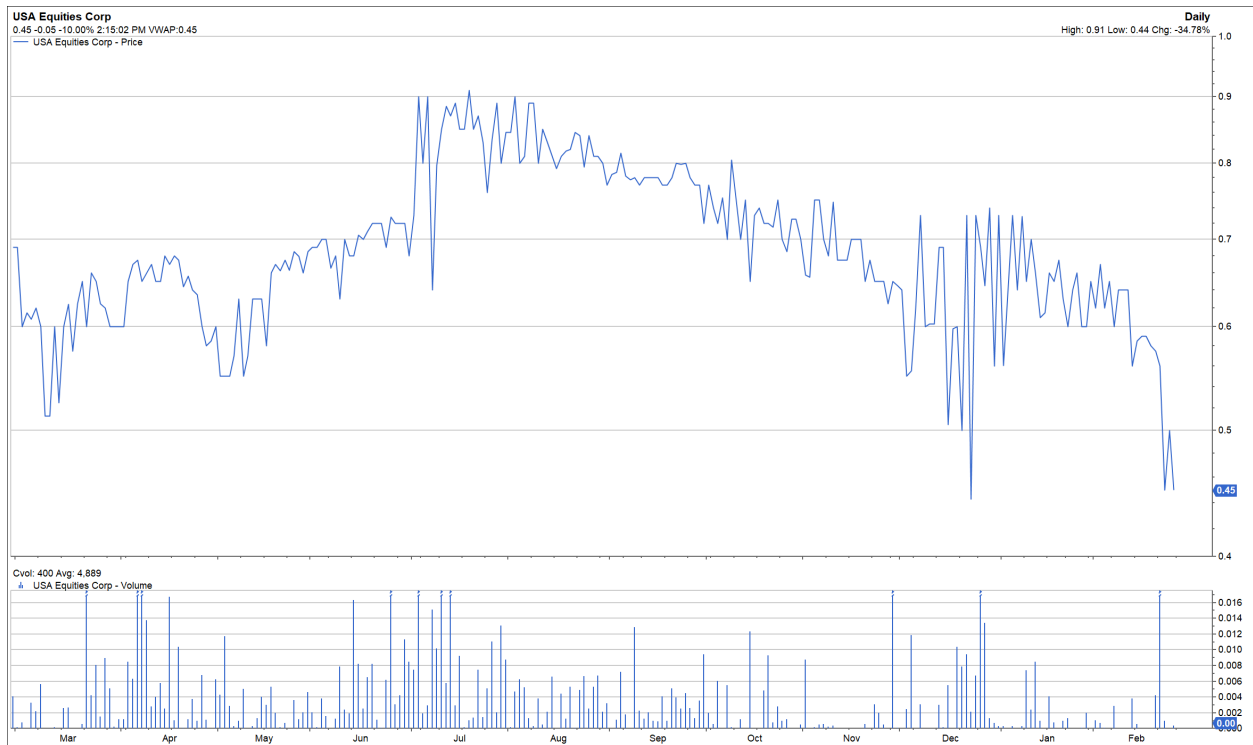
• 2021E	• (\$680)
• 2022E	• (\$282)
• 2023E	• \$1,279

Risks/Valuation

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

Company description: USA Equities Corp is a medical device company providing digital healthcare solutions and point-of-care-diagnostic tests to primary care physicians. Digital healthcare allows doctors to assess their patients' responses quickly and effectively using advanced artificial intelligence algorithms. Digital healthcare can also remotely monitor patients' vital signs and evaluate the effects of prescribed medicines and treatments on patients' health through real-time data transferred from patient to doctor. USAQ also markets and sells point-of-care, rapid-response diagnostic tests used in the primary care practice. USAQ's products and services are designed to help physicians improve patient monitoring and medical care while also improving the revenues of their practice.

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



Source: FactSet

Investment Thesis

We are re-initiating coverage of USA Equities Corp with a Buy rating and a \$5 price target. It provides primary care physicians both digital healthcare solutions and point of care diagnostic tests. Its flagship product, QHSLab, has garnered enough brand recognition that the company decided to make QHSLab, Inc. its permanent name effective December 2021 (officially waiting for FINRA signoff).

Through both organic and inorganic growth, the company has gone from no revenue in 2020 to over \$1MM in the first nine months of 2021. The company has made significant progress in 2021 transforming from a single subsidiary, Medical Practices Income, a unique, cloud-based, medical office and mobile patient education digital healthcare platform designed to generate new medical practice income for the physician and improve clinical outcomes for the patient to three subsidiaries, now including: QHSLab and AllergiEnd®.

It has built out a complete management team in the last year and expanded its group of medical advisors. These steps give us increased confidence in the company's growth potential.

Attractive valuation. The shares appear to us inexpensive on an absolute and relative basis. Our \$5 price target is derived from a discounted earnings stream model. At an EV/Sales of 0.60x, the shares trade at an 83% discount to peer average.

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 4Q22 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 \$5.28 which we round down to \$5.00.

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

Disc. Future Earnings \$5.28		
Year	EPS	Discounted EPS
2022	(\$0.04)	(\$0.04)
2023	\$0.14	\$0.12
2024	\$0.20	\$0.16
2025	\$0.30	\$0.21
2026	\$0.38	\$0.24
2027	\$0.45	\$0.26
2028	\$0.55	\$0.28
2029	\$0.65	\$0.29
2030	\$0.72	\$0.29
2031	\$0.79	\$0.28
Terminal Value:		\$3.18

Source: Litchfield Hills Research LLC

Valuation Relative to Peers

As we show in Figure 4, USAQ shares sell at an 83% to 90% discount to average peer sales multiples. The average sales multiple looking into next year is 4.87 (See Figure 4 for a table of Comparables). Based on our estimates for 2023, and using the average sales multiple, if USAQ reaches \$8.45MM of revenue, it would have a market cap of ~\$41MM or ~\$4.74 per share (Figure 3).

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

	Implied Share Price Calculation
Average Peers 2023 Sales Multiple	4.87
Our 2023 Revenue Estimate	\$8.45MM
Implied Market Cap	\$41.2MM
Estimated Share Count	8.7MM
Implied Share Price	\$4.74

Source: Litchfield Hills Research LLC and FactSet

Guidance and Financial Forecasts

In its 3Q21 10-Q, the company provided guidance that 4Q21 revenue would exceed 3Q21. 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.

Company Overview

USA Equities Corp provides primary care physicians digital healthcare solutions and point of care diagnostic tests. Its flagship product, QHSLab, has garnered enough brand recognition that the company decided to make QHSLab, Inc. its permanent name effective December 2021 (officially waiting for SEC signoff).

Under its new name QHSLab, Inc., the company will continue to expand its unique digital healthcare platform that uses a systems-based approach, prioritizing prevention and disease management. The platform includes numerous screening assessments, point-of-care diagnostics, home therapeutic monitoring, and specialty pharmacy treatments that address the root causes of chronic disease, not merely the symptoms. For example, individuals with chronic illnesses often present to their doctors with other comorbidities. In addition, if they are newly diagnosed with a chronic disease, patients will often progress to other disease states if risk factors and lifestyle behaviors remain unchecked. QHSLab offers a comprehensive platform, not a single product for a single condition, and continues to develop those proprietary solutions. The highest level of patient care centers around a holistic approach, and physicians, to provide this care, need a platform that meets this demand. In addition, patients want a unique and personalized experience from their doctor, and doctors are prioritizing complete, patient-centered care.

We believe that today's electronic medical records are not providing this window into the practice and are therefore insufficient in their ability to inform patient care. In addition, physicians are working longer hours to meet patient demands. The platform views physicians' entire population instead of individual patients, stratifying the data and providing a visual representation of this population's risk profile of their patients. We expect the company to release digital healthcare instruments for managing hypertension, chronic pain, and sleep apnea, growing its revenue per

customer and putting even more power in the hands of the independent primary care physician practice.

Sales and Marketing Strategy:

USA Equities Corp has a defined target audience of 250,000 independent primary care providers in the U.S. Data procured through its survey assessments suggest that 30% of primary care physicians in the United States (approximately 75,000 providers) are currently or intend to begin services such as QHSLab. Therefore, the company's near-term goal is to recruit 5,000 provider customer accounts (~7% of those who reported that they intend to start a service like QHSLab), purchasing \$10,000 - \$20,000 worth of annual products and services (\$50-100mm yearly revenue).

The company based its target list on actual physician behaviors, including data on services offered by their practice, their relevance to its platform, and filtered based on geographic location. Its marketing strategy combines traditional outreach approaches, grassroots prospecting efforts, and digital advertising, including email, fax, telemarketing, targeted digital ads, direct mail, canvassing, referrals, and more. It also provides a myriad of educational opportunities, including e-learning, expert-led webinars, and CME workshops in partnership with the University of Miami Miller School of Medicine. Current distribution channels include Medical Services Organization (MSO's) and Independent Practitioner Association (IPA's), with plans to expand through local and national distributors and Group Purchasing Organization (GPO's).

Subsidiaries

QHSLab

A Fully-Automated Cloud-Based Software as a Service (SaaS) that Improves Clinical Outcomes, Generates Revenue, and Focuses on Prevention

QHSLab is a unique, cloud-based medical office and mobile patient education solution, that provides physicians with a robust dashboard to streamline patient information and business operations. It provides physicians and other healthcare organizations with an advanced platform to securely capture patient information and store it electronically in a secure database. The patients' data is intelligently filtered, analyzed, and processed according to specific algorithms.

Through machine learning and AI technology, QHSLab:

- Engages individual patients directly, maximizing in-person office visits while managing conditions between appointments
- Assesses their current conditions and identifies high-risk lifestyle behaviors
- Provides patients with a "Quality Health Score," one number that provides countless insights into their health
- Develops a **comprehensive and interactive program for patients** and tracks progress through their medical provider's guidance

With the **QHSLab platform**, physicians can maximize office visits and manage remote patient education while generating higher revenue through reimbursable preventative services. The result is improved clinical outcomes, significant income, and lower healthcare costs overall.

The QHSLab Expert System assesses patient behaviors, lifestyle, and disease risk and it:

- Integrates into existing physician and healthcare interventions
- Collects and compiles relevant, empirical data
- Utilizes relevant information for decision making (both artificial and naturalistic)

- Accounts for individual differences yet is appropriate for whole populations
- Provides guidelines for consistent decisions
- Allows the addition of new behaviors/medically relevant variables
- Requires minimal IT involvement in assessment or program development
- Maximizes revenue by providing a less costly alternative to face-to-face interactions

QHSLab is capable of handling large quantities of data without compromising accuracy or precision. It does not require expensive human resources to perform low-level mundane tasks and the cloud-based system is easily scaled to allow a virtually unlimited number of user sessions to be activated, all of which tap into the same software and database.

QHSLab's user capacity can increase with certainty by utilizing a set, well-known path built into the system's hardware. The system scale will not only scale to a large number of users but is built on a globally scalable architecture, allowing it to deliver high availability to users in just about any geographic region.

The company is introducing additional point-of-care digital healthcare and clinical decision-making tools into the market throughout the coming year.

- In October 2021, it launched the "Q-Scale," a comprehensive mental health risk assessment that assesses a patient's "quality of life," targeting the growing mental health crisis in the United States.
- It plans to offer a musculoskeletal health (MSK) and chronic pain management application, addressing a \$130B market.

AllergiEnd®

AllergiEnd® empowers primary care practitioners to test and begin treating allergy patients in their own offices. This is critical because there are approximately sixty million Americans affected by allergic disorders, yet there are fewer than 3,000 practicing allergists in the U.S. Making access even more difficult for allergy sufferers is that the 3,000 practicing allergists are not evenly distributed.

The company designed the **AllergiEnd®** diagnostic and Allergen Immunotherapy system for the busy non-allergist in a primary care setting. To meet the increasing need for allergy testing and treatment by non-allergists, it removed the complexity and methodical flaws in typical allergy testing to provide a simple, broad-spectrum, allergy diagnostic, and immunotherapy solution. As a result, AllergiEnd® provides relief and treatment for patients who suffer from non-life-threatening but problematic allergies. It is a broad diagnostic percutaneous skin-test for 70 of the most common environmental allergens in the US. Specially designed for a non-allergist primary care setting. Testing can be performed by Nurses, NP or PAs. No needles and the testing process is pain free. Results are available in a 15–20-minute waiting period.

In its current form it is offering a single product detailed here, but is not limited to this test. It is universally reimbursed using CPT Code 95004 and the average reimbursement per patient is \$412 with a low of \$265 for Medicaid or \$565 for Medicare. Sold as a package of 30 tests for \$2,495 or \$83.17/test. The package includes everything the physician needs to administer the test including consent and test result forms.

Medical Practice Income (MPI)

MPI is the new product development arm of USAQ. It 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. The MPI subsidiary designs systems like QHSLab for primary care physicians.

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 from Australia, Troy 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 over 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.

Cyndi Cole, MBA, CPA, Financial Controller

With over 25 years of experience in finance, Cyndi is a career accountant, having worked throughout the US with companies in a variety of sizes, ranging from small domestic companies to multi-national corporations. In addition, with experience as an auditor with Deloitte & Touche, a public company controller, and many positions in between, her knowledge, perspective, and expertise are directed to deliver financial insight and accuracy. Experienced at preparing companies for mergers, acquisitions, and restructuring, she thrives in a team environment where her strengths and communication skills help achieve company financial goals.

Jeremy Jacob, Computer Science and Engineering

With more than 20 years of experience in architecting software, Jeremy specializes in designing software focused on globally scalable cloud solutions. He received two B.S. degrees from Florida Atlantic University in Computer Science and Computer Engineering. His software products include personal finance management mobile apps, a web-based mobile app development tool for businesses, a cloud-based asset management system, and several apps and web-based solutions for internal enterprise use.

Jesus Davila, Director, Corporate Strategy & Development

Jesus has demonstrated specialization and excellence in medical insurance and physician network development in his 20+ years of experience. Early in his career, Jesus was instrumental in the launch and development of Century Health Plans (Medicaid MSO), facilitating growth and the eventual acquisition by PCA. Jesus led business development for WellCare Health Plans, a Medicare sales organization, and was responsible for overseeing the growth in a \$500 million-dollar market consisting of more than 20,000 affiliated Medicare beneficiaries throughout South Florida. He also oversaw the implementation of internal sales organizations, provider relations, and member support units tailored to the development and support of medical center staff models specializing in the unique needs required for growth, retention, and risk management of medical insurance beneficiaries. Most recently, Jesus coordinated the national development of a medical device manufacturer from start-up to over 500 family medicine recurring-revenue physician customers.

Mike Mangus, Physician Network Development

Mike's fifteen-year medical career began in medical device sales. Then he transitioned to Territory Business Development for Atrium Medical and Dexcom, Inc. These positions helped him establish a vast network of physician, hospital, and Group Purchasing Organization (GPO) contacts in the state of Florida. His experience has provided him with a wealth of information and understanding of navigating both the medical sales and managed care space. Over four years with Dexcom, Mike was responsible for 700% territory growth in Florida and saw both Medicare and Medicaid bring the Dexcom system for continuous glucose monitoring into their reimbursement coverage portfolio. In addition, he played an essential role in negotiating both Blue Cross Blue Shield (BCBS) of Florida, Florida Blue, and United Healthcare to cover the Dexcom system and make it accessible to all patients and providers. Mike transitioned into the "fee for service" (FFS) arena in 2012, focusing on various in-office, point-of-care tests and the reimbursement

associated with these non-invasive procedures. Mr. Mangus helped oversee enormous growth in the FFS business by providing physicians with additional avenues to increase patients' quality of life while increasing the practice's bottom-line revenue. Mike brings a wealth of sales experience and corporate business development knowledge to our team, and his network of nationwide contacts will prove invaluable as we grow our reach.

Scientific and Medical Board of Advisors

Syed A. A. Rizvi, PhD, MBA, MS, Department of Pharmaceutical Sciences, Hampton University School of Pharmacy (HUSOP)

Dr. Rizvi has more than 22 years of research and teaching experience at various colleges and universities and seven years of industrial experience. He is the author of 167 peer-reviewed articles, including 105 journal publications, two books, four book chapters, one US patent, and 55 oral/poster presentations (national and international conferences). In addition, he serves on the editorial and expert boards of 77 different journals (in various capacities) and reviews manuscripts and books for 123 well-known scientific publications (journals and books). His published work has been cited over 5500 times, with an h-index of 25 and i10-index of 44.

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.

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.

Fredric W. Pullen, II, MD, FACS, Professor, vol., Otolaryngology, at the University of Miami, Miller School of Medicine
Dr. Pullen studied bacteriology at the University of Michigan and received his Doctor of Medicine at the University of Michigan Medical School. He published his first of many peer-reviewed scientific articles and several books. Dr. Pullen continued his studies at Harvard Medical School and the Massachusetts Eye and Ear Infirmary/Massachusetts General Hospital in Boston, in Otorhinolaryngology. Dr. Pullen served in the United States Air Force (USAF) as an ear, nose, and throat (ENT) specialist and vice commander of the 7272 USAF Hospital, where he obtained Major's rank. After his service, he returned to academic medicine at the University of Miami, becoming a clinical professor in the Otolaryngology department and a consultant to the Air Force Surgeon General. In his private practice, he began treating allergic diseases using skin testing and oral and subcutaneous immunotherapy. Dr. Pullen was a founder of Interactive Telemedicine Systems, The Hearing, Education and Research Foundation (HEAR), American Educational Designers (First use of Videotape teaching in medicine), Chief editor of Video-digest, The National Hearing Conservation Association, and Allertemp, providing allergy services to physician's offices throughout south Florida. Dr. Pullen is currently a Fellow with several leading medical organizations: American College of Surgeons, American Academy of Facial Plastic and Reconstructive Surgery (emeritus), American Academy of Otolaryngology-Head and Neck Surgery, American Laryngological, Rhinological, and Otolological Society, American Neurotology Society, Past President. In addition, he is a member of other prestigious and respected medical organizations, including the American Academy of Allergy and the American Medical Association. Dr. Pullen is also a recipient of the Honor Award from the American Academy of Otolaryngology.

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.

Frank Lichtenberger, MD, PhD, Board Certified Internist and Allergy Immunologist

Dr. Lichtenberger has been practicing in North Carolina since he finished his Fellowship training at the National Institutes of Health. He is recognized by his peers and industry as an expert and thought leader in the conditions of Primary Immunodeficiency, Hereditary Angioedema, and Mast Cell Disorders. He has an independent grant to study mast cell-related inflammation markers and is active in internationally sponsored clinical trials. His wife and two young children keep him busy, but he stays active with his indoor hydroponic gardening hobbies. Industry and oversight monitoring show that he is ranked #1 in North Carolina amongst Allergy/Immunology practitioners for care complexity. A recent review of United Healthcare Quality measures scored 100% in 11 out of 11 categories 241/241 quality metrics. He is "a student of how the modern environment results in disordered inflammation."

Björn Herman, MD, FACS, Assistant Professor of Otolaryngology at the University of Miami, Miller School of Medicine

Dr. Herman graduated from Yale University before receiving his M.D. from Columbia University College of Physicians and Surgeons. He then completed his Otolaryngology residency at Jackson Memorial Hospital and the University of Miami. After residency, Dr. Herman spent three years in Ohio. He worked for Holzer Health System and was an Adjunct Assistant Professor in Otolaryngology at the Ohio State University. He returned to the University of Miami as a general otolaryngologist with a particular interest in endoscopic sinus surgery in 2015, helping develop the university's satellite clinics in Palm Beach County and developing the Department of Otolaryngology's allergy program. Dr. Herman has published many journals articles throughout his career, including publications in Otolaryngology-Head and Neck Surgery, the International Journal of Pediatric Otorhinolaryngology, the Annals of Otology, Rhinology, and Laryngology, the Journal of the Society of Endoscopic and Laparoscopic Surgeons, the American Journal of Surgery, and the World Journal of Surgery.

Figure 4 – USA Equities Corp. – Comp Table

FactSet Ticker	Company Name	Closing Price	Market Cap \$MM	EV \$MM	2023 Consensus Multiples	
					Market Cap / Sales	EV /Sales
NVS-US	Novartis AG (Adr)	\$87.63	212,135	199,799	3.83	3.65
4543-JP	Terumo Corporation	\$31.68	24,058	24,384	3.68	3.73
RHC-AU	Ramsay Health Care Ltd	\$46.52	10,647	16,900	0.99	1.54
508869-IN	Apollo Hospitals Enterprise Limited (IN Listing)	\$61.55	8,849	9,247	3.91	
ATR-US	Aptargroup	\$120.97	7,931	9,339	2.26	2.66
GDRX-US	GoodRx Holdings, Inc.	\$26.29	2,122	10,601	10.30	10.51
ROSE-CH	Zur Rose Group AG	\$172.40	1,953	2,001	0.87	0.89
IRBT-US	Irobot Corp	\$62.40	1,687	1,572	0.85	0.79
AEVS-CH	AEVIS Victoria SA	\$16.92	1,430	2,237		
WELL-CA	WELL Health Technologies Corp.	\$3.46	721	1,001	1.88	2.37
DOC-CA	CloudMD Software & Services, Inc. (XCLOSE Security)	\$0.53	154	109	1.02	0.59
PAVM-US	PAVmed Inc (US Listing)	\$1.57	138	96	19.43	11.26
VICO-SE	Vicore Pharma Holding AB	\$1.78	128	77	2.11	1.18
CFX-GB	Colefax Group	\$9.39	75	97	0.60	0.78
ACHV-US	Achieve Life Sciences Inc	\$7.50	71	38	16.50	4.30
DRDR-CA	MCI Onehealth Technologies, Inc	\$1.03	50	56	1.02	1.11
	AVERAGE				<u>4.87</u>	<u>3.41</u>
USAQ-US	USA Equities Corp	\$0.45	4	5	0.47	0.59
	USAQ-US Discount to peers				-90%	-83%

Figure 5 – USA Equities Corp. – Income Statement (\$000)

December ending year	2019	2020A	2021E				2021E	2022E				2022E	2023E				2023E
	Year	Year	Q1A	Q2A	Q3A	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Year
Total revenue	\$0	\$125	\$304	\$456	\$324	\$400	\$1,484	\$500	\$700	\$1,000	\$1,300	\$3,500	\$1,400	\$1,800	\$2,250	\$3,000	\$8,450
Cost of Goods	0	74	171	249	167	208	795	260	364	520	676	1,820	728	936	1,170	1,560	4,394
Gross Profit	0	50	134	207	157	192	690	240	336	480	624	1,680	672	864	1,080	1,440	4,056
G&A	54	132	70	135	150	180	535	200	250	300	320	1,070	360	425	500	600	1,885
R&D	100	98	28	15	20	20	83	20	20	20	20	80	20	20	20	20	80
Marketing	0	95	112	162	182	200	655	200	200	200	200	800	200	200	200	200	800
Total Operating Expenses	54	227	182	297	332	380	1,190	400	450	500	520	1,870	560	625	700	800	2,685
Operating Income	(54)	(177)	(48)	(89)	(174)	(188)	(500)	(160)	(114)	(20)	104	(190)	112	239	380	640	1,371
Operating income %	NMF	NMF	NMF	NMF	-54%	-47%	-34%	-32%	-16%	-2%	8%	-5%	8%	13%	17%	21%	16%
Total Other Items	(12)	(52)	(10)	(8)	(107)	(6)	(131)	(28)	(7)	(6)	(6)	(46)	(28)	(7)	(6)	(6)	(46)
Pre-Tax Income	(66)	(229)	(59)	(97)	(281)	(194)	(631)	(188)	(121)	(26)	98	(236)	84	232	374	634	1,325
Taxes (benefit)	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
Net Income (loss)	(\$167)	(\$327)	(\$87)	(\$112)	(\$301)	(\$214)	(\$714)	(\$208)	(\$141)	(\$46)	\$78	(\$316)	\$64	\$212	\$354	\$614	\$1,245
EPS, as reported	(\$0.03)	(\$0.05)	(\$0.01)	(\$0.02)	(\$0.03)	(\$0.02)	(\$0.09)	(\$0.02)	(\$0.02)	(\$0.01)	\$0.01	(\$0.04)	\$0.01	\$0.02	\$0.04	\$0.07	\$0.14
Diluted Shares Outstanding	5,411	6,200	6,833	7,207	8,646	8,760	7,862	8,760	8,780	8,790	8,800	8,783	8,900	9,000	9,100	9,200	9,050

Figure 6 – USA Equities Corp. – Balance Sheet (\$000)

December ending year	FY2023E	FY2022E	FY2021E	FY2020A
Balance sheet				
Current Assets				
Cash and S.T.I.	\$1,676.5	\$281.9	\$345.2	\$94.3
Accounts receivable	150.0	100.0	40.0	60.5
Inventories	200.0	200.0	100.0	99.7
Other assets	40.0	40.0	38.0	11.6
Total Current Assets	2,066.5	621.9	523.2	266.2
Net PP&E				
	0.0	0.0	140.0	0.0
Other non-current assets				
	1,400.0	1,500.0	1,600.0	0.0
Total Assets	\$3,501.5	\$2,156.9	\$2,323.2	\$297.9
Current Liabilities				
Accounts payable	200.0	200.0	100.0	159.6
Advances or notes payable	800.0	800.0	800.0	55.0
Other current liabilities	20.0	20.0	10.0	0.0
Total current liabilities	1,020.0	1,020.0	910.0	214.6
Accrued interest expense				
	115.0	115.0	115.0	115.6
Convertible note and loans				
	900.0	900.0	900.0	576.0
Total Liabilities	2,035.0	2,035.0	1,925.0	906.2
Stockholders' Equity				
Preferred stock	0.1	0.1	0.1	0.1
Common stock	0.6	0.6	0.6	0.7
Additional paid-in-capital	3,000.0	2,900.0	2,860.0	1,139.6
Retained earnings	(1,534.2)	(2,778.8)	(2,462.5)	(1,748.7)
Cum. trans. adj. and treasury stock	0.0	0.0	0.0	0.0
Total stockholders' equity	1,466.5	121.9	398.2	(608.3)
Total Liabilities and equity	\$3,501.5	\$2,156.9	\$2,323.2	\$297.9

Source: Company reports and Litchfield Hills Research LLC

Figure 7 – USA Equities Corp. – Cash Flow (\$'000)

	2023E	2022E	2021E	2020A
Net Income	\$1,244.67	(\$316.33)	(\$713.78)	(\$327.39)
Accounts receivable	(50.00)	(60.00)	20.52	(57.77)
Inventories	0.00	(100.00)	(0.30)	(99.70)
Other assets	0.00	(2.00)	(26.40)	(11.60)
PP&E	0.00	140.00	(140.00)	0.00
Intangibles net of depr.	100.00	100.00	(1,600.00)	0.00
Long term assets	0.00	25.00	(28.30)	(31.70)
Accounts payable	0.00	100.00	(59.62)	138.68
Advances or notes payable	0.00	0.00	745.00	55.00
Accrued interest expense	0.00	0.00	0.00	0.00
Other current liabilities	0.00	10.00	10.00	0.00
Accrued interest expense	0.00	0.00	(0.57)	22.07
Convertible note and loans	0.00	0.00	324.00	234.32
Preferred stock	0.00	0.00	0.00	0.00
Common stock	0.00	0.00	(0.06)	0.08
Additional paid-in-capital	100.00	40.00	1,720.37	148.77
Accumulated other comp. loss	0.00	0.00	0.00	0.00
Other				
Total Cash Flow	\$1,394.67	(\$63.33)	\$250.86	\$70.75

Source: Company reports and Litchfield Hills Research LLC

Disclosures:

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