

INITIATION OF COVERAGE
STIMCELL ENERGETICS INC. (OTCQB: STMI)

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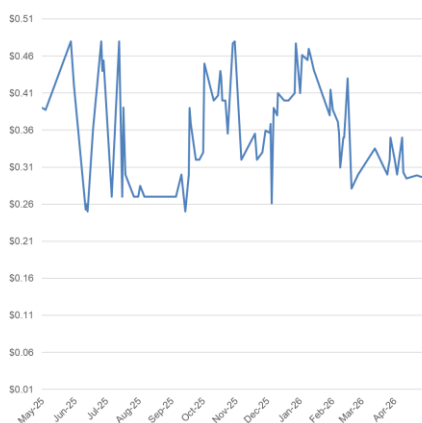
214-987-4121

Market Statistics in USD

Price	\$ 0.30
52 week Range	\$0.22 - \$0.48
Daily Vol (3-mo. average)	8,223
Market Cap (M)	\$ 6.3
Enterprise Value (M)	\$ 7.0
Shares Outstanding: (M)	21.1

Financial Summary in USD

Cash (M)	\$ 0.0
Cash/Share	\$ 0.00
Debt (M)	\$ 0.8
Equity (M)	\$ (1.7)
Equity/Share	\$ (0.08)


Company Description

StimCell Energetics is a development-stage bioelectronic wellness company focused on eBalance®, a frequency-specific microcurrent device intended for home use. The Company is working to commercialize a smaller, app-enabled version of the platform while building supporting data around biofeedback, cellular-energy signaling, and mitochondrial function.

Product Positioning: StimCell is a single-product company focused on eBalance®. Rather than managing a broad portfolio, the Company is centered on advancing one core platform. The current emphasis appears to be on redesigning eBalance into a compact consumer unit optimized for home use, and the Company's SEC filings state that StimCell is focused on the discovery, development, and commercialization of both therapeutic and non-therapeutic products that promote general wellness

How the Device Works: StimCell describes eBalance as a non-invasive microcurrent system that delivers pre-programmed electrical stimulation through the body using hand bars and footplates in a closed-loop circuit. The Company states that the device measures the electrical current returning from the body and interprets that return signal as an indicator of the user's energetic state. We view this biofeedback capability as a notable part of the product story because it suggests eBalance is being positioned as a system that both delivers current and monitors the body's response. It is believed that this current indicates metabolic health, leading to the potential for significant value derived from being able to easily monitor these levels.

Company-Reported Trial Results: One of the more important pieces of public support for the story is the company's trial-results page, which describes a 12-week observational clinical trial approved by Health Canada involving 30 diabetic participants treated twice weekly for 15 minutes. According to the Company, mean blood pressure declined and plasma insulin levels in a 22-patient subset also fell. The Company presents these findings as evidence of promising trends in blood pressure, fasting blood sugar, and plasma insulin, and states that no significant adverse events were reported. In our view, these results provide early human outcome data around the device; however, it is important to note that this is company-reported pilot-style evidence rather than a registration-style clinical trial.

Science and Validation: Beyond the company-reported human observational data, StimCell has also taken steps to build a more formal scientific narrative around the device's mechanism of action. In December 2025, the company announced a study with the St. Boniface Hospital Albrechtsen Research Centre and a University of Manitoba-affiliated investigator to evaluate eBalance's impact on mitochondrial function in cultured sensory neurons. The announced work includes measurements such as oxygen consumption rates, ATP production, basal and maximal respiration, spare respiratory capacity, coupling efficiency, proton leak, AMPK activity, and respiratory proteins. We are encouraged by the Company seeking mechanistic support around cellular energy production and mitochondrial function.

Execution and Capital Needs: The Company remains early in commercialization, and, in our view, execution is still the key issue. STMI is continuing work to redesign the device for home use under its ADM Tronics partnership. This redesign has the goal of transforming eBalance into a compact, affordable consumer unit optimized for home use, and that research and development spending increased meaningfully as a result. We believe this makes the near-term story less about broad financial performance and more about successfully finishing the product redesign.

Valuation: We rely on a DCF framework to guide our valuation. Using a 20% discount rate and a shares outstanding growth sensitivity range of 1.25% to 3.75%, our DCF implies a valuation range of \$0.29 to \$0.66 per share, with a midpoint of \$0.44. Please see the valuation page for further details.

Business Overview

StimCell Energetics is a development-stage bioelectronic wellness company built around a single core platform: eBalance®. The device is designed to deliver frequency-specific microcurrent through a closed-loop circuit in short, at-home sessions intended to support general wellness, pain relief, and cellular-energy balance. The product is framed as a lifestyle-oriented prevention tool, built around the theory that better cellular energy and lower inflammation may support healthier system-wide function. It is noted that eBalance® combines pre-programmed microcurrent delivery, a hand-and-foot contact system, and real-time biofeedback designed to measure the returning current from the body during treatment. The theory is based on the idea that when your body is properly energized as tested through the biofeedback design, the body has less pain, fewer festering wounds, and lower propensity for depression.

What stands out today is that the Company is not simply promoting a legacy device concept; it is working to reshape eBalance® into a smaller, more practical home-use platform. That shift is important because the commercial opportunity for StimCell is likely to depend on making the product easier to use, more affordable, and better suited for direct-to-consumer adoption. The redesign work with ADM Tronics, together with app integration and added diagnostic features, suggests management is focused on usability as much as on the underlying science.

Strategically, StimCell is building a story that ties together hardware, software, biofeedback, and biological validation. We anticipate that validation will continue to be a significant part of the STME story going forward. The platform is intended to be more than a one-time wellness gadget: if the Company can pair the device with app-based tracking, personalized treatment data, and a clearer mechanistic explanation of how the current interacts with cellular function, eBalance® could support a broader consumer-health workflow over time. That makes the current phase less about scale today and more about defining a product architecture that can support future commercialization.

Product and Commercialization Path

A separate product overview is justified here because StimCell is essentially a one-product company. The current equity story runs through eBalance® and the Company's effort to turn that platform into a practical home-use wellness device with measurable user feedback and a clearer scientific foundation.

eBalance® hardware

The Company describes eBalance® as a non-invasive, fully automated microcurrent electrotherapy system that administers pre-programmed algorithms through the epidermis with the touch of a button. Treatments are designed to take less than 15 minutes and are generally positioned for use three times per week. From a product standpoint, that matters

Exhibit 1: Company Overview

Date	Milestone	Why It Matters
Nov. 2024	Rebrand / reverse split	Reset the corporate story around StimCell Energetics and positioned the company for a renewed commercialization effort.
Feb. 2025	ADM redesign partnership	Restarted development work on a smaller home-use eBalance® device with added diagnostic features.
Mar. 2025	Prototype / redesign update	Showed ongoing progress toward a more consumer-friendly device architecture.
Oct. 2025	OTCQB uplisting	Improved market visibility and positioned the company for broader investor outreach.
Dec. 2025	Mitochondrial-function study announced	Added a mechanistic research program intended to better define how eBalance® may influence cellular-energy pathways.
Mar. 2026	Stonegate engagement	Signaled a more active capital-markets and investor-awareness strategy.

Source: StimCell Energetics news releases and company website.

Exhibit 2: eBalance Hardware



Source: Company Website

because it frames eBalance® as a short-session, repeat-use device rather than a specialized in-clinic system, which is more consistent with a consumer wellness rollout.

Biofeedback layer

The device’s biofeedback layer is one of the more distinctive elements of the platform. According to the Company, users hold hand bars while standing on footplates, allowing the current to complete a full circuit through the body and back into the device. eBalance® then measures the returning current to provide a read on the body’s energetic state: higher return suggests lower absorption, while lower return suggests the body is taking up more of the delivered current. Management describes this readout as a measure of the resistance the body is presenting: lower resistance is associated with higher feedback returning to the device, while higher resistance is associated with lower return. In the Company’s framing, that resistance is tied to lower energy and inflammation, which management believes are relevant to broader metabolic health. In practical terms, that gives StimCell a way to position the device not only as a treatment platform, but also as a data-generating wellness system.

Wellness first, regulatory optionality later

Commercially, the Company appears to be prioritizing a wellness-oriented direct-to-consumer launch centered on lifestyle, prevention, and recurring engagement. That makes sense for an early-stage company with limited capital because it may shorten time to market while allowing StimCell to gather user feedback, build brand awareness, and refine the experience around recurring use. Over time, if the Company continues to generate supporting evidence, management could have the option to explore more targeted indications or higher-regulatory pathways, but the near-term focus appears to be on launching a consumer-friendly platform first.

Trial Results

The clinical evidence is supported by a 12-week observational study. According to StimCell, the study was approved by Health Canada and followed 30 diabetic participants who used eBalance® twice weekly for 15 minutes per treatment. The Company states that the study tracked blood pressure, plasma insulin, and fasting blood sugar, with the objective of evaluating both efficacy and safety in a real-world use setting.

Average blood pressure improved from 142/78 mmHg at baseline to 128/70 mmHg at the end of study. StimCell also reports that the share of participants with blood pressure above 140/90 mmHg declined from 60% at baseline to 23% at end of study, while 83% of subjects finished with lower systolic and lower diastolic readings than at baseline.

The Company further reports that average plasma insulin declined from 208 pmol/L at baseline to 111 pmol/L at the end of study, a reduction of 47% among the 22 subjects included in that analysis, and that average fasting blood sugar declined from 10.5 mmol/L to 9.2 mmol/L over the same period, representing a 12% decrease. StimCell also states that no significant adverse events were reported during the 12-week study period.

Exhibit 3: Blood Pressure Results

Blood Pressure Analysis (30 participants)

Status	Baseline (Pre-Trial)	End of Study (EOS)
Over 140/90 mmHg	18 (60%)	7 (23%)
Under 140/90 mmHg	12 (40%)	23 (77%)

Blood Pressure Trend at End of Study (EOS)

Systolic Trend	Number of Subjects	Percentage
Lower at EOS	25	83%
Higher at EOS	5	17%

Diastolic Trend	Number of Subjects	Percentage
Lower at EOS	25	83%
Higher at EOS	5	17%

Source: Company Website

Exhibit 4: Plasma Results

Status	Baseline (Pre-Trial)	End of Study (EOS)
Over 174 pmol/L	11 (50%)	4 (18%)
Under 174 pmol/L	11 (50%)	18 (82%)

Plasma Insulin Trend at End of Study

Trend	Number of Subjects	Percentage
Lower at EOS	18	82%
Higher at EOS	4	18%

Source: Company Website

We think these results are best described as company-reported observational or pilot-style human data rather than definitive clinical proof. That distinction matters because public materials do not present this work as a pivotal registration study, nor do they establish broad regulatory claims on their own. In that context, we think the more appropriate takeaway is not that the study proves a medical claim, but that it may still be useful within the Company's current wellness-oriented commercialization strategy. Specifically, the reported results could help StimCell build an early body of human data to support product positioning, inform future validation work, and provide more concrete support for discussions around potential metabolic and broader wellness applications as the device is marketed along a wellness path.

Growth Drivers

A smaller home device materially broadens the possible market

The redesign from a larger legacy unit to a compact home-use device is one of the clearest value drivers in the story. A smaller, more affordable system should broaden accessibility, lower adoption friction, and give StimCell a product format that is more realistic for consumer budgets and direct online marketing.

Mechanistic validation could improve credibility

The mitochondrial-function study announced with the University of Manitoba–affiliated research group remains important because it may help clarify how eBalance® affects cellular energy production. That said, the company also now has human observational data it can point to. On its trial-results page, StimCell reports that a 12-week observational study approved by Health Canada tracked blood pressure, plasma insulin, and fasting blood sugar in diabetic participants, with reported improvements across all three endpoints and no significant adverse events. While these company-reported results should be viewed as early clinical signal rather than definitive proof, they may still support credibility with future partners, scientists, and users as StimCell pursues additional studies.

The wellness channel may offer a faster first market than a fully therapeutic path

A non-invasive wellness device can potentially reach the market more quickly than a fully regulated therapeutic device, especially when positioned around home use, convenience, and general well-being. Public materials clearly support an at-home wellness orientation for eBalance®, although they do not yet fully spell out the initial commercial channel. Over time, stronger human data and additional regulatory work could expand the product's range of use cases, but the nearer-term opportunity appears to rest on turning a differentiated device into a consumer-friendly wellness offering.

App connectivity and biofeedback may support engagement beyond one-time use

If StimCell can combine treatment logging, user profiles, and biofeedback into a repeat-use experience, the platform becomes more compelling commercially. In that model, eBalance® is not just a hardware purchase; it becomes part of a broader wellness routine that may support stronger engagement, user retention, and future recurring monetization.

The category itself is thematically attractive

Investor and consumer interest has increasingly favored non-invasive, personalized, and technology-enabled health solutions. StimCell fits within that broader lane, particularly as it ties microcurrent therapy to themes such as wellness optimization, healthy aging, recovery, and cellular-energy support. That thematic alignment can be helpful as the Company works to position eBalance® within a broader health-tech conversation.

Market Overview

StimCell Energetics operates at the intersection of several consumer health trends that have continued to gain traction in recent years: at-home wellness devices, personalized health optimization, app-enabled biofeedback, and growing consumer interest in non-drug approaches to metabolic and physiological support. While STME is still early in its commercial development, the broader market backdrop is increasingly supportive of device-based solutions that can be used outside of traditional clinical settings.

One of the most important shifts in the broader health and wellness landscape has been the normalization of home-use devices. Consumers have become increasingly comfortable using connected products as part of their daily routines, particularly when those products are positioned around convenience, personalization, and ongoing self-monitoring. In adjacent markets, this trend has supported the growth of connected beauty devices, wellness wearables, and smart health platforms, all of which point to a broader willingness to adopt app-linked devices that fit into an everyday wellness regimen. In our view, this matters for STME because eBalance is being positioned not as a one-time clinical intervention, but as a recurring home-use device intended to become part of a user’s ongoing health routine.

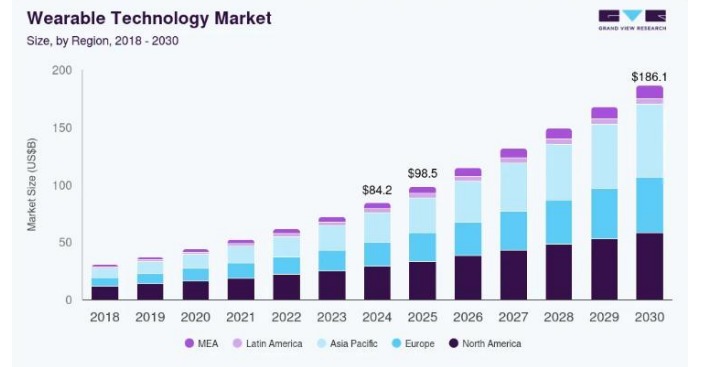
A second important trend is the rise of personalization in consumer wellness. Across adjacent markets, companies are increasingly combining hardware, software, and user-specific feedback to create more tailored experiences. This has been especially evident in connected-device

categories, where value is no longer defined solely by the physical product, but by the broader ecosystem around it, including app connectivity, usage tracking, personalized recommendations, and deeper user engagement over time. For STME, this framing is relevant because the Company’s public materials describe a system that combines the device itself with app-based operation and biofeedback-oriented functionality, which may support a more durable user relationship than a standalone wellness gadget.

The broader wellness-device landscape also benefits from increasing consumer interest in non-invasive and non-pharmaceutical solutions. In many areas of consumer health, end users are looking for ways to improve energy, recovery, stress management, sleep, body composition, and overall well-being without immediately turning to higher-cost or higher-friction interventions. That does not eliminate the need for evidence, and it does not remove execution risk, but it does create a commercial opening for products that can be marketed as easy-to-use, low-friction, and compatible with broader lifestyle-improvement efforts. In that context, STME’s positioning around bioelectrical stimulation, mitochondrial support, and home-based use fits within a larger movement toward consumer-directed health optimization.

We also think it is important to frame STME within the continuing convergence of wellness, technology, and consumer electronics. Adjacent sectors have shown that consumers increasingly value products that blend tangible physical benefits with digital engagement. The growth of connected wellness devices has been supported by trends toward at-home routines, functional self-care, smart-device integration, and personalized feedback, which together create a more favorable environment for products that can live on a countertop or in a daily routine rather than only in a physician’s office. While STME is much earlier-stage than larger players in adjacent ecosystems, the direction of the market is nonetheless constructive for a product that aims to pair hardware, software, and user engagement in a consumer-friendly format.

Exhibit 5: Wearable Tech Market



Source: GrandView Research

Risks

As with any investment, there are certain risks associated with STME's operations as well as with the surrounding economic and regulatory environments common to the industry.

- Financing risk is the most immediate issue. The Company remains in an early development stage, had no revenue-generating activities in the latest reported quarter, and disclosed substantial doubt about its ability to continue as a going concern.
- Single-product concentration is high. At present, the Company's strategic value is centered on eBalance® and the successful completion, launch, and adoption of the redesigned home-use platform.
- Commercialization risk remains meaningful. Even if the product is well designed, it still must be priced effectively, marketed clearly, and adopted consistently in a competitive consumer wellness market.
- Scientific and regulatory risk remain relevant. Additional mechanistic work may strengthen the Company's product narrative, but future therapeutic claims or regulated pathways would likely require more evidence, more capital, and more time.
- Related-party funding and microcap capital-markets dynamics can pressure equity holders through dilution, debt accumulation, and limited trading liquidity.
- Reputational risk matters in wellness technology. Companies operating near the boundary between wellness, anti-aging, and therapeutic benefit need to keep product communication disciplined and well supported.

Valuation

Valuing STME at this stage is inherently difficult, as the Company is pre-revenue and any framework necessarily places substantial weight on long-dated assumptions. Given the lack of current revenue and the early stage of commercialization, we do not believe a traditional comp-based valuation is the most appropriate primary methodology today. We have, however, included a reference set of companies that are, or could ultimately become, relevant competitors or comparables to help frame how adjacent businesses may trade once revenue generation begins.

Comparative Analysis (all figures in M, except per share information)

Company Name	Symbol	Price ⁽¹⁾	Mrkt Cap	EV	EV/Revenue ^(2,3)			EV/EBITDA ^(2,3)			P/E ^(2,3)			
					2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	
ClearPoint Neuro, Inc.	CLPT	\$ 12.19	\$ 365.5	\$ 393.5	10.94x	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cytosorbents Corporation	CTSO	\$ 0.57	\$ 35.8	\$ 58.6	1.61x	1.46x	1.19x	N/A	N/A	N/A	N/A	N/A	N/A	N/A
electroCore, Inc.	ECOR	\$ 6.32	\$ 51.1	\$ 51.7	1.05x	1.22x	0.95x	N/A	N/A	7.1x	N/A	N/A	N/A	N/A
EDAP TMS S.A.	EDAP	\$ 4.16	\$ 155.9	\$ 166.1	1.75x	2.22x	2.08x	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EL.En. S.p.A.	ELN	\$ 16.37	\$ 1,312.0	\$ 1,127.0	1.73x	1.53x	1.44x	12.6x	9.5x	8.7x	25.8x	18.7x	17.0x	
Eckert & Ziegler SE	EUZ	\$ 17.33	\$ 1,084.4	\$ 991.5	2.83x	2.59x	2.42x	9.8x	8.8x	8.2x	19.6x	17.7x	16.5x	
Ion Beam Applications SA	IBAB	\$ 17.24	\$ 502.1	\$ 562.6	0.66x	0.78x	0.75x	10.2x	9.4x	7.6x	29.8x	11.9x	14.5x	
IRIDEX Corporation	IRIX	\$ 1.03	\$ 17.9	\$ 22.4	0.47x	0.42x	0.39x	N/A	22.8x	7.2x	N/A	N/A	N/A	
Myomo, Inc.	MYO	\$ 0.81	\$ 31.4	\$ 34.7	0.85x	0.78x	0.69x	N/A	N/A	N/A	N/A	N/A	N/A	
NovoCure Limited	NVCR	\$ 18.10	\$ 2,096.4	\$ 1,899.3	1.85x	2.70x	2.44x	N/A	N/A	N/A	N/A	N/A	N/A	
Senseonics Holdings, Inc.	SENS	\$ 5.50	\$ 273.9	\$ 251.8	4.42x	4.05x	2.57x	N/A	N/A	N/A	N/A	N/A	N/A	
Sensus Healthcare, Inc.	SRTS	\$ 3.45	\$ 56.8	\$ 38.9	1.51x	1.55x	1.10x	N/A	N/A	N/A	N/A	N/A	38.3x	
STRATA Skin Sciences, Inc.	SSKN	\$ 0.16	\$ 0.9	\$ 9.3	0.54x	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Medartis Holding AG	SWX: MED	\$ 98.02	\$ 1,218.7	\$ 1,378.6	4.08x	3.27x	2.81x	56.2x	17.6x	14.2x	131.1x	53.6x	35.7x	
Average					2.4x	1.9x	1.6x	22.2x	13.6x	8.8x	51.6x	25.5x	24.4x	
Median					1.7x	1.5x	1.3x	11.4x	9.5x	7.9x	27.8x	18.2x	17.0x	
StimCell Energetics Inc.	STME	\$ 0.30	\$ 6.3	\$ 7.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) Previous day's closing price

(2) Estimates are from Capital IQ

(3) Forward estimates as of calendar year

Source: Company reports, CapitalIQ, Stonegate Capital Partners

Accordingly, we rely on a DCF framework to guide our valuation. We readily acknowledge that the model is assumption-heavy, and small changes to key inputs can have a meaningful impact on implied value. In the interest of transparency, we have included the full DCF on the following page and encourage investors to apply their own assumptions where appropriate. A full model is available upon request.

Our base case assumes STME begins generating revenue in FY28, followed by a meaningful ramp through FY32 and a subsequent 10% growth rate thereafter, which we view as reasonable relative to the broader wellness market. We assume an initial device selling price of \$500, with 90% of users maintaining an active subscription at \$20 per month. We also assume an average customer life of five years, which we believe is a reasonable and not overly aggressive starting point given the nature of the product and intended use case.

We also believe it is important to account for dilution risk, which is material for a company at this stage. To reflect this, we break the model down to free cash flow per share and include a sensitivity analysis for annual shares outstanding growth ranging from 0% to 5%. In addition, to capture STME's early-stage profile, limited operating history, and significant long-term execution risk, we apply a 20% discount rate in our base case, with sensitivity ranging from 15% to 25%. As the Company progresses toward commercialization and execution risk declines, we believe it would be reasonable for the market to revisit that discount rate.

Taken together, using a 20% discount rate and a shares outstanding growth sensitivity range of 1.25% to 3.75%, our DCF implies a valuation range of \$0.29 to \$0.66 per share, with a midpoint of \$0.44.

Discounted Cash Flow

StimCell Energetics Inc.													Terminal
Discounted Cash Flow Model													Value
(in \$M, except per share)													
Estimates:	2026	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	2037E	2038E
Units Sold	-	-	5,000	15,811	51,206	169,830	500,000	550,000	605,000	665,500	732,050	805,255	885,781
Unit ASP (\$)	500	500	500	500	500	500	500	500	500	500	500	500	500
Life of Unit (years)	5	5	5	5	5	5	5	5	5	5	5	5	5
Units in Circulation	-	-	5,000	20,811	72,017	241,847	741,847	1,286,847	1,876,036	2,490,330	3,052,550	3,357,805	3,693,586
Subscription Attach Rate	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Subscription Price Per Month (\$)	20	20	20	20	20	20	20	20	20	20	20	20	20
Subscription Price Per Year (\$)	240	240	240	240	240	240	240	240	240	240	240	240	240
Unit Sales	-	-	2.50	7.91	25.60	84.92	250.00	275.00	302.50	332.75	366.03	402.63	442.89
Subscription Revenues	-	-	1.08	4.50	15.56	52.24	160.24	277.96	405.22	537.91	659.35	725.29	797.81
Revenue	-	-	0.6	1.9	6.4	21.2	62.8	77.2	92.9	109.6	126.0	138.5	152.4
Operating Income	-	-	0.1	0.4	1.3	4.2	12.6	15.4	18.6	21.9	25.2	27.7	30.5
Less: Taxes (benefit)	-	-	0.0	0.1	0.3	1.1	3.1	3.9	4.6	5.5	6.3	6.9	7.6
NOPAT	-	-	0.1	0.3	1.0	3.2	9.4	11.6	13.9	16.4	18.9	20.8	22.9
Plus: Depreciation & Amortization	-	-	0.5	0.5	0.5	0.5	1.4	1.6	2.0	2.3	2.6	2.9	3.2
Plus: Changes in WC	(5.0)	(5.0)	(2.5)	(1.0)	(0.0)	(0.1)	(0.3)	(0.4)	(0.5)	(0.5)	(0.6)	(0.7)	(0.8)
Less: Capex	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.4)	(1.6)	(2.0)	(2.3)	(2.6)	(2.9)	(3.2)
Free Cash Flow	(6.0)	(6.0)	(2.9)	(1.2)	0.4	2.6	9.1	11.2	13.5	15.9	18.3	20.1	22.1
FCF Per Share:													125.2
0% Annual Share Growth	(0.28)	(0.28)	(0.14)	(0.06)	0.02	0.12	0.43	0.53	0.64	0.75	0.86	0.95	1.05
1.25% Annual Share Growth	(0.28)	(0.28)	(0.13)	(0.06)	0.02	0.11	0.40	0.49	0.58	0.67	0.76	0.83	0.90
2.5% Annual Share Growth	(0.28)	(0.28)	(0.13)	(0.05)	0.02	0.11	0.37	0.45	0.52	0.60	0.67	0.72	0.78
3.75% Annual Share Growth	(0.28)	(0.27)	(0.13)	(0.05)	0.02	0.10	0.35	0.41	0.47	0.54	0.60	0.63	0.67
5% Annual Share Growth	(0.28)	(0.27)	(0.12)	(0.05)	0.02	0.10	0.32	0.38	0.43	0.48	0.53	0.56	0.58
Discount period - months	3	15	27	39	51	63	75	87	99	111	123	135	147
Discount period - years	0.3	1.3	2.3	3.3	4.3	5.3	6.3	7.3	8.3	9.3	10.3	11.3	12.3
Discount factor	0.96	0.80	0.66	0.55	0.46	0.38	0.32	0.27	0.22	0.19	0.15	0.13	0.11
PV of FCF	(5.7)	(4.8)	(1.9)	(0.7)	0.2	1.0	2.9	3.0	3.0	2.9	2.8	2.6	2.4
PV of FCF Per Share:													13.4
0% Annual Share Growth	(0.27)	(0.23)	(0.09)	(0.03)	0.01	0.05	0.14	0.14	0.14	0.14	0.13	0.12	0.11
1.25% Annual Share Growth	(0.27)	(0.22)	(0.09)	(0.03)	0.01	0.04	0.13	0.13	0.13	0.12	0.12	0.11	0.10
2.5% Annual Share Growth	(0.27)	(0.22)	(0.09)	(0.03)	0.01	0.04	0.12	0.12	0.12	0.11	0.10	0.09	0.08
3.75% Annual Share Growth	(0.27)	(0.22)	(0.08)	(0.03)	0.01	0.04	0.11	0.11	0.11	0.10	0.09	0.08	0.07
5% Annual Share Growth	(0.27)	(0.22)	(0.08)	(0.03)	0.01	0.04	0.10	0.10	0.10	0.09	0.08	0.07	0.06
Growth rate assumptions:													
Unit Sales				216.2%	223.9%	231.7%	194.4%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Operating Income				231.0%	228.0%	232.5%	196.8%	23.0%	20.3%	17.9%	14.9%	10.0%	10.0%
Free Cash Flow				-58.5%	-135.0%	507.3%	255.9%	22.5%	20.3%	17.9%	14.9%	10.0%	10.0%
Margin assumptions:													
Unit Margins	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Subscription Margins	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
D&A as a % of sales	0.0%	0.0%	85.3%	25.8%	7.9%	2.4%	2.3%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
Taxes	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Changes in WC	0.0%	0.0%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%
Capex as a % of sales	0.0%	0.0%	-170.5%	-51.5%	-15.7%	-4.7%	-2.3%	-2.1%	-2.1%	-2.1%	-2.1%	-2.1%	-2.1%
Valuation:													
Shares Outstanding Growth Rate	0.00%	1.25%	2.50%	3.75%	5.00%								
Current Shares outstanding	21.1	21.1	21.1	21.1	21.1								
Est. Forward Shares Outstanding	21.1	24.8	29.1	34.1	39.9								
PV of FCF per Share	0.36	0.27	0.19	0.12	0.05								
PV of Terminal Value per Share	0.63	0.54	0.46	0.39	0.34								
Enterprise Value	21.1	17.1	13.7	10.8	8.2								
less: Net Debt	0.8	0.8	0.8	0.8	0.8								
Estimated Total Value:	20.3	16.4	12.9	10.0	7.5								
Est Equity Value/share:	\$0.96	\$0.66	\$0.44	\$0.29	\$0.19								
Sensitivity Analysis:													
Discount rate	Annual Shares Outstanding Growth Rate												
		5.00%	3.75%	2.50%	1.25%	0.00%							
	15.00%	\$0.57	\$0.80	\$1.13	\$1.59	\$2.24							
	17.50%	\$0.34	\$0.50	\$0.72	\$1.03	\$1.47							
	20.00%	\$0.19	\$0.29	\$0.44	\$0.66	\$0.96							
22.50%	\$0.08	\$0.15	\$0.25	\$0.40	\$0.61								
25.00%	\$0.00	\$0.05	\$0.11	\$0.21	\$0.36								

Source: Company Reports; Stonegate Capital Markets

INCOME STATEMENT

StimCell Energetics Inc.																				
Consolidated Statements of Income (in \$000's, except per share amounts)																				
Fiscal Year End: May																				
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Q1 Aug-24	Q2 Nov-24	Q3 Feb-25	Q4 May-25	FY 2025	Q1 Aug-25	Q2 Nov-25	Q3 Feb-26	Q4 E May-26	FY 2026E	Q1 E Aug-26	Q2 E Nov-26	Q3 E Feb-27	Q4 E May-27	FY 2027E
Distribution Rights	\$ 76.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales	19.6	6.8	6.1	2.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	95.8	6.8	6.1	2.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses:																				
Cost of Goods Sold	10.2	3.2	2.0	2.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Profit	85.6	3.5	4.0	0.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Consulting Fees	278.9	268.1	189.6	83.4	130.0	34.9	34.7	33.7	34.2	137.5	34.8	34.4	34.8	35.0	139.0	35.0	35.0	35.0	35.0	140.0
G&A Expense	396.2	185.8	334.2	275.5	116.4	16.5	22.7	32.8	141.5	213.5	139.5	163.6	8.2	15.0	326.3	15.0	15.0	15.0	15.0	60.0
Management Fees	-	-	-	-	37.5	22.5	22.5	22.5	22.5	90.0	22.5	22.5	22.5	22.5	90.0	22.5	22.5	22.5	22.5	90.0
R&D Expense	393.2	229.6	150.7	89.2	(22.5)	-	-	0.5	63.5	64.0	57.3	51.0	36.6	35.0	179.9	35.0	35.0	35.0	35.0	140.0
Impairment Expense	-	42.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution Expense	53.8	0.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization	1.8	2.4	1.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	1,123.9	728.7	675.7	448.1	261.3	73.8	79.9	89.5	261.6	504.9	254.1	271.5	102.1	107.5	735.2	107.5	107.5	107.5	107.5	430.0
Operating Income	(1,038.4)	(725.2)	(671.7)	(447.7)	(261.3)	(73.8)	(79.9)	(89.5)	(261.6)	(504.9)	(254.1)	(271.5)	(102.1)	(107.5)	(735.2)	(107.5)	(107.5)	(107.5)	(107.5)	(430.0)
Interest Expense	(21.1)	(32.0)	(25.7)	(47.4)	(61.7)	(8.9)	(8.8)	(9.5)	(11.1)	(38.3)	(13.2)	(16.7)	(18.7)	(19.0)	(67.6)	(20.0)	(20.0)	(20.0)	(20.0)	(80.0)
Loss on Reacquisition of Dist. Rights	(103.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forgiveness of Debt	68.8	(153.7)	-	-	187.5	1.6	-	-	(7.5)	(5.9)	-	-	-	-	-	-	-	-	-	-
Foreign Exchange gain/(loss)	-	-	-	-	(7.1)	14.2	(50.8)	(41.6)	61.0	(17.2)	1.8	(21.5)	30.1	-	10.4	-	-	-	-	-
Profit Before Taxes	(1,093.7)	(910.8)	(697.4)	(495.0)	(142.5)	(66.9)	(139.5)	(140.5)	(219.3)	(566.3)	(265.6)	(309.7)	(90.6)	(126.5)	(792.4)	(127.5)	(127.5)	(127.5)	(127.5)	(510.0)
Provision for Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income To Common Stockholders	(1,093.7)	(910.8)	(697.4)	(495.0)	(142.5)	(66.9)	(139.5)	(140.5)	(219.3)	(566.3)	(265.6)	(309.7)	(90.6)	(126.5)	(792.4)	(127.5)	(127.5)	(127.5)	(127.5)	(510.0)
Basic EPS	\$ (0.29)	\$ (0.22)	\$ (0.17)	\$ (0.12)	\$ (0.01)	\$ (0.02)	\$ (0.03)	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.01)	\$ (0.02)	\$ (0.00)	\$ (0.01)	\$ (0.04)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.02)
Diluted EPS	\$ (0.27)	\$ (0.22)	\$ (0.17)	\$ (0.12)	\$ (0.01)	\$ (0.02)	\$ (0.03)	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.01)	\$ (0.02)	\$ (0.00)	\$ (0.01)	\$ (0.04)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.02)
WTD Shares Out - Basic	3.7	4.1	4.2	4.2	19.8	4.2	4.2	19.8	20.1	20.1	19.8	19.8	20.9	20.9	20.4	20.9	20.9	20.9	20.9	20.9
WTD Shares Out - Diluted	4.0	4.1	4.2	4.2	19.9	4.2	4.2	19.8	19.9	19.9	19.8	19.8	20.9	20.9	20.4	20.9	20.9	20.9	20.9	20.9

Source: Company Reports, Stonegate Capital Partners estimates

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