



October 28, 2020

GLOBAL WHOLEHEALTH PARTNERS CORPORATION

(OTC – GWHP)

Industry: Diagnostics

12 Mo. Target: \$11.20

GLOBAL WHOLEHEALTH PARTNERS CORP.

The Next Major COVID-19 Diagnostics Company

Rob Goldman
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COMPANY SNAPSHOT

GWHP develops, manufactures, and markets in vitro diagnostic (IVD) tests for OTC, or consumer-use as well as professional rapid diagnostic point-of-care (POC) test kits for hospitals, physicians' offices, and medical clinics in the US and abroad. Notably, GWHP was awarded a CE Mark for its high quality, rapid anti-body test for COVID-19 and an EUA filing with the FDA is pending approval. In the interim, the US Navy in California has been using the test during 2Q20 and the Company has the capacity to deliver hundreds of thousands of tests, ramping up to 1 million per day. Currently, the Company has 56 products FDA approved for OTC use, and 9 POC products approved by the FDA.

KEY STATISTICS

Price as of 10/27/20	\$1.117
52 Week High – Low	\$14.50 - \$0.40
Est. Shares Outstanding	60M
Market Capitalization	\$163.2M
Average Volume	44,243
Exchange	OTCPK

COMPANY INFORMATION

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INVESTMENT HIGHLIGHTS

GWHP is set to emerge as a key provider of COVID-19 diagnostics test kits, an estimated \$5.1 billion market. The Company has filed two Emergency Use Applications (EUAs) with the FDA—one for an anti-body test and the other for a rapid global antigen test, with responses pending.

In studies performed earlier this year, GWHP's diagnostic antibody test produced such an enviable accuracy rate that the Department of the Navy placed an order for 1000 kits. The test's accuracy was found to be over 97%, with limited false positives, a major differentiator.

The antibody kit has major advantages over existing tests in use today and GWHP has the capability to produce up to 1M tests daily. The tests are low cost @ \$25/test, and offer rapid PoC results in 15 minutes, which removes the main bottleneck to testing processes, and is made in the USA.

The new rapid antigen PoC test is geared for doctor's offices, emergency room and even schools. This test is similar to a Nasal Influenza Test and is administered via nasal swab. Results are provided in 10-15 minutes and GWHP could produce up to 120,000 tests per day, thereby generating substantial revenue.

With nearly 800M tests performed worldwide and over 135M in the US, testing frequency and easy PoC access are set to drive sales. We project sales will jump from \$8.7M in FY21 to \$99M in FY22 and \$202M in FY23, with EPS of \$0.05, \$0.56, and \$1.12, respectively.

If you missed the CODX run from \$3 to \$30, here is your second chance. COVID-19 test provider CODX reached a peak valuation of 20x next year's EPS. Using a similar multiple, we project GWHP could reach \$11.20 next year. Thus, we view current prices as a great entry point.

COMPANY OVERVIEW

The View from 30,000 Feet

In our view, **Global Wholehealth Partners Corp. (OTC - GWHP – NR)** is positioned to emerge as the next major COVID-19 diagnostics company, serving an estimated \$5.1B market, according to Grandview Research. In response to the COVID-19 pandemic, the Company developed a Rapid Diagnostic Test (“RDT”) and Real Time Polymerase Chain Reaction Test (“RT-PCR”) for potential approval by the FDA. Its RDT test results boast an overall accuracy rate of 97% and the test is designed to detect SARS-CoV-2 IgM/IgG antibodies in human serum, plasma, or whole blood within 15 minutes.



Leveraging these results, GWHP filed a Pre-Emergency Use Application (“PEUA”) with the FDA for the RT-PCR Test for COVID-19. Upon issuance of an EUA to GWHP, the Antibody IgM/IgG tests will be available for mass distribution to qualified groups such as authorized laboratories. Future qualified groups could include community arenas such as pharmacies.

Management anticipates being granted an EUA for the test this year and since its Spring 2020 filing, the Department of NAVY ordered 1,000 RDT tests from the Company. This order is a major testimonial for GWHP as tests can only be sold once their accuracy is demonstrated to be 90%+ and a PEUA has been filed with the FDA. The NAVY order was delivered in April 2020 at the Navy Base at Point Loma. In addition, while awaiting approval, GWHP has made sales to various domestic and international private and public entities. Under the FDA guidelines, GWHP is authorized to sell its “Made in the USA” this COVID-19 rapid test kit to qualified high complexity labs or medical institutions.

GWHP Competitive Advantages

GWHP clearly has advantages as compared to other firms in the space. Its proprietary kit pending EUA approval boasts high sensitivity and specificity results that ensure lower false positives than many approved kits in use today. Its rapid PoC offering can detect antibodies in 15 minutes---one of the fastest times which can aid in overall testing throughput which solves a major logjam in the process. Plus, at \$25 per test versus an average of \$40, GWHP has priced its kit on the low-end which is crucial as testing frequency likely increases in the coming months. In addition, the Company has a great deal of manufacturing capacity at its U.S. plant, thereby ensuring kits will be “Made in the USA.”

Plus, GWHP is one of the few firms with multiple applications for diagnostic testing. GWHP recently submitted a new EUA with the FDA for a Global Antigen CoViD19 SARS2 Rapid Test---which follows its prior antibody diagnostic test EUA. If both tests are approved, we believe that GWHP could emerge as a high-profile diagnostic testing company with one of the most diverse, rapid point-of-care (PoC) Covid-19 test portfolios in the market. GWHP now has two Covid-19 tests pending FDA approval which leverage cutting-edge technology found in its other rapid PoC diagnostic tests. GWHP is also currently selling two unique Covid-19 tests through key marketing partnerships. Thus, GWHP is positioned as a go-to supplier in this critical testing category.

Separately, management has significant experience and contacts with multiple institutional channels such as labs, urgent care facilities, other clinical and retail organizations like pharmacies, etc., which will be key in broadly deploying its products across the country. Finally, it should be noted that the Company has an extensive test library of over 100 approved tests around the world including pandemic/infectious diseases and early screening. Thus, future upsell could be in the cards.

Subsequent to the PEUA filing, GWHP has entered into two joint venture marketing arrangements with firms who have been granted approval for their EUA to test for COVID-19. However, these tests are not blood screenings and utilize different methods of testing. Therefore, they represent a complement to the GWHP kit and is a clever maneuver to emerge as one of the broadest providers of COVID-19 test kits serving U.S. markets. As a result, GWHP could become the go-to test kit provider offering antibody screenings, nasal screenings, and possible OTC saliva tests down the road.

GWHP Looks Like Early CODX; \$11 Target

For investors that missed the early 2020 run in **Co-Diagnostics (NASDAQ – CODX – NR)** stock, you have been granted a second chance with GWHP, which we initiated coverage of in August 2020. CODX leaped from around \$3 to \$30, following EUA approval and major sales and deployment. Sales are expected to jump from \$215,000 in 2019 to almost \$100M in 2020, with EPS of \$1.83. With a June 30 fiscal year, we project GWHP will reach at least \$8.7M in revenue in FY21, assuming EUA approval and EPS of \$0.05. However, for FY22, we project sales of \$99M and EPS of \$0.56. Utilizing a similar forward multiple applied to CODX when it reached its peak, our 12-month target price is \$11.20 and it is possible it reaches its 52-week high of \$16.86, if our forecasts prove conservative, or sales magnitude and timing is accelerated. Given our \$202M revenue estimate and EPS forecast of \$1.12 in FY23, the shares could enjoy greater gains for opportunistic investors with long term horizons.

GWHP: A CLOSER LOOK

Company Background

The Company was founded to develop, manufacture and market in-vitro diagnostic (“IVD”) tests for over-the-counter (“OTC” or consumer), or consumer-use and point-of-care (“PoC” or professional) which includes hospitals, physicians’ offices and medical clinics, including those within penal systems throughout the US and abroad. The Company currently manufactures and markets a range of diagnostic test kits for consumer use



through OTC sales, and for use by health care professionals, generally located at medical clinics, physician offices and hospitals known POC, in the United States. These test kits are known as in-vitro diagnostic test kits or “IVD” products and represent a multi-billion-dollar market.

The concepts that distinguish PoC technology—operation simple enough for non-laboratory users; little or no maintenance requirement; and rapid, reliable results—mean that it can be applied equally well in many non-clinical settings, such as the

OTC market. As advances in medical technology increasingly make it possible to diagnose diseases and physiological conditions from ever-smaller amounts of body fluids, certain diseases and conditions that once required diagnosis by physicians and/or medical technicians inside hospital emergency rooms, exam rooms/bedside studies, or private clinics, can now also be done by inexpensive, easy-to-use diagnostic devices that consumers can use in the comfort and anonymity of their home. Today, the average pharmacy, whether a privately owned neighborhood store, or chain owned, has become an outlet for selling IVD test kits for in-home use.

All of the products we sell are manufactured in an FDA Approved Facility in the USA. An FDA Approved facility is a facility that meets Good Manufacturing Practices ("GMP") with the FDA. At present, GWHP provides cutting edge technology using In-vitro Diagnostic (IVD) Real-Time PCR Machines that detect in about 90 minutes and Rapid Diagnostic Testing (RDT) Serum Plasma and Whole Blood that detect between 15 -20 minutes, which predict diseases ahead of its industry competitors. By so doing, GWHP has led the fight against vector-borne terminal diseases such as Ebola, ZIKA, Dengue, Malaria, Influenza and Tuberculosis and among other vector-borne diseases. Plus, the Company has approved tests across the globe for early screenings of diseases as well. In total, there are over 100 such tests in the GWHP quiver.

COVID-19: At a Glance

At this point, there is not much need to describe COVID-19 as we are all coping in this global health pandemic. According to Johns Hopkins University, one of the leading authorities on COVID-19:

Coronaviruses are a type of virus. There are many different kinds, and some cause disease. A newly identified coronavirus, SARS-CoV-2, has caused a worldwide pandemic of respiratory illness, called COVID-19. As of now, researchers know that the new coronavirus is spread through droplets released into the air when an infected person coughs or sneezes. The droplets generally do not travel more than a few feet, and they fall to the ground (or onto surfaces) in a few seconds — this is why physical distancing is effective in preventing the spread.

To date, over 22.7M have been infected and an estimated 800,000 have died worldwide. In the U.S., 5.7M have been infected with over 1763,000 deceased. In an effort to stem the tide, testing has been implemented as often as possible. Unfortunately, with 7 billion people, and the need for frequent or at least multiple tests, we are nowhere near where we need to be. Add to this issue the problems of throughput, time lags for test results due to inefficient tests, lack of PoC availability, speed, and false positives, etc. and it is a mess. Nations, clinicians, and citizens are clamoring for a better solution.

According to <https://ncov2019.live/>, 402 million tests have been administered to date, with over 73 million in the U.S. alone---and these figures are set to rise exponentially. Hence, the huge opportunity for GWHP. Hundreds of millions of tests are likely to occur annually in the US alone. If just 100 million tests are performed in the next 12 months, @ the \$25 per test used by GWHP, that represents a \$2.5 billion market.

THE GWHP DIFFERENCE

Leveraging its status as an industry leader in infectious disease diagnostics with over 100 FDA and export approved tests, GWHP has addressed the need for high-quality antibody testing in the fight against COVID-19.

The California-based laboratory and manufacturer's CSO, Dr. Cui, developed this rapid diagnostic test using wholly US-made active components, including its membrane and reagent. The test delivers results within 15 minutes and with an accuracy of 97% via a blood draw or a simple finger prick.

Developers of the RDT IgG/IgM Antibody Test hold a CE Rating for the test and are working to receive an Emergency Use Authorization (EUA) from the FDA, following the PEUA submission in April 2020 (FDA EUA Submission Number: EUA200181). The US Navy is currently using GWHP's COVID-19 antibody tests in California.

This test is a rapid, qualitative, and convenient immunochromatographic in-vitro assay for the detection of IgM and IgG antibodies to the COVID-19 virus in human blood samples using the Colloidal Gold (nanoparticles) Immunochromatography Method, which adds rapid, simple, specific, and sensitive characteristics to the test.

Based upon a 634-test sample size evaluated using the industry-standard Clinical Laboratory Improvement Amendments (CLIA) Reference Method for sensitivity and specificity, the Specificity/Sensitivity of the test is 97% while the Selectivity is 94%. As we understand it, these results rank this test as superior to nearly all COVID-19 antibody type tests granted Emergency Use Authorizations by the FDA.

Upon approval, management believes that it can quickly deliver 100,000 test kits a day while ramping to produce and deliver 500,000, then 1 million test kits daily (over 30 million test kits monthly) to governments, hospitals, laboratories, and large organizations with proper test administering capabilities. This test is for professional use only.

It is anticipated that upon approval, the kit will be used in authorized/qualified laboratories, and later pharmacies, and community testing facilities. As testing frequency occurs, it is possible the Company may develop a product for the OTC market, such as a nasal or saliva test, or modification of its current offering.

To date, dozens of companies have been approved for testing but even major firms such as **Abbott Labs (NYSE – ABT – NR)** have come under serious scrutiny because their accuracy is not up to par---namely too many false negatives. With a multi-billion-dollar market opportunity, and issues with major players, there is plenty of room for an emerging player with strong results, such as GWHP.

Joint Ventures

In late July, GWHP announced that it is now authorized to sell FDA Approved COVID-19 rt-PCR from 1 Drop Inc. The rt-PCR test is a Molecular test for Gene E and Gene RdRp. The COVID-19 is a real-time reverse transcription polymerase chain reaction (rt-PCR) test. The 2019-nCoV primer and probe set(s) is designed to detect RNA from the 2019-nCoV in sputum and nasopharyngeal swab. It is important to note that this test differs from the GWHP approach and is a great complement to GWHP which could add another product to its coffers.



In another deal that complements the GWHP offerings, GWHP recently announced that it is authorized to sell FDA EUA Authorized SARS-COV-2 IgG/IgM Antibody Whole Blood, Serum and Plasma Rapid Test, produced by Healgen Scientific. The COVID-19 IgG/IgM Rapid Test Cassette (Whole Blood/Serum/Plasma) is a lateral flow immunoassay intended for the qualitative detection and differentiation of IgM and IgG antibodies to SARS-CoV-2 in human venous whole blood, plasma from anticoagulated blood (Li+ heparin, K2EDTA, and sodium citrate), or serum. The COVID-19 IgG/IgM Rapid Test Cassette (Whole Blood/Serum/Plasma) is intended for use as an aid in identifying individuals with an adaptive immune response to SARS-CoV-2, indicating recent or prior infection.

EXECUTIVE LEADERSHIP TEAM

GWHP boasts an impressive, diverse, and seasoned leadership team, which is a major plus for shareholders, in our view. Each of its members bring decades of experience in directly running or helping lead successful companies across various industries.

Charles Strongo, Chairman, Chief Executive Officer

Mr. Strongo has 30 years' experience in business management and operations. Mr. Strongo has been in the in vitro diagnostic business for the past twenty-four years, since the beginning of the "over-the counter" in-vitro diagnostic industry and has managed annual budgets exceeding \$500 million. Mr. Strongo has been the CEO and Chairman of WholeHealth Products Inc. from 2013 to present. Mr. Strongo also currently serves as CEO of Nunzia Pharmaceutical Company ("Nunzia") since August 1, 2019. Nunzia owns the rights to a drug that treats autism, fragile X, ADHD, and PTSD and intends to manufacture, market, and distribute the drug Nunzia, once approved by the FDA through a Premarket Approval.

Mr. Strongo served as President and Chief Executive Officer of EarlyDETECT, Inc. from March 2004 through November 2009. He was a member of the EDI Board of Directors from June 2002 until June 2009. Prior to that, Mr. Strongo served as the Chief Financial Officer for two years. Mr Strongo has owned and operated his own successful FDA Approved diagnostic manufacturing facility. Mr. Strongo has a comprehensive knowledge of ISO and FDA regulations and has prepared several companies for the ISO inspections. Mr. Strongo has filed more than twenty FDA 510K filings; he has also worked on countless pharmaceutical filings. Mr. Strongo has prepared several companies for FDA inspections, under FDA regulatory GMP guidelines. Mr. Strongo has cleared companies for ISO 13485 CDM in less than 6 months, a process that usually takes a year.

Mr. Strongo's dynamic personality, keen understanding, and extensive professional expertise have enabled Mr. Strongo to increase profitability for multiple companies domestically and internationally. Mr. Strongo established businesses in foreign countries, including Canada, Brazil, China, South Africa, Russia, Taiwan, Mexico, Malaysia, Thailand, and the Philippines. Mr. Strongo holds a BA/MBA in Business Management from National University.

Dr. Shujie Cui, Chief Science Officer, Director

Dr. Cui served as a post doctorate Fellow in the Ob/Gyn and Reproductive Biology department of The University of Texas Medical School at Houston. Dr. Cui is a director of WholeHealth Products, Inc. and has

served since 2014 to present and is the CSO of WholeHealth Products, Inc. Dr. Cui also served as a post doctorate Fellow in the Division of Laboratory Medicine, M.D. Anderson Cancer Center at The University of Texas, Houston. Dr. Cui is known as the father of Strep A Tests. Dr. Cui worked with the Chinese Government on the testing and vaccine for SARS.

F. Rene Alvarez, Executive Vice-President, Director

Mr. Alvarez is a graduate of Canisius College (BS in Accounting) and earned a law degree at the State University of New York at Buffalo (LLB and JD degrees). He was admitted to the New York State Bar Association in 1969. Mr. Alvarez is a director of WholeHealth Products, Inc. and has served since 2014 to present. Mr. Alvarez also spent two years in the U.S. Army where he attained the rank of Captain and earned the Bronze Star while serving in Vietnam.

After fulfilling his military service, he joined Ford Motor Company in 1969 where he held various key executive positions including Senior Vice President of a Ford subsidiary from which he retired in 1999. After retiring, Mr. Alvarez joined LA Fitness International, LLC as Corporate Vice President until he once again retired in June of 2011.

Mr. Alvarez also served as Chairman of the Board of L. L. Knickerbocker Company, a major marketing and distribution source for celebrity products and currently serves on the Boards of Planet Electric, Inc., Whole Health Product, Inc., Las Vegas Cares, and Nevco Co. Mr. Alvarez resides in Newport Beach, California.

Richard Johnson, Chief Financial Officer, Treasurer, Director

Mr. Johnson brings a wealth of experience at the senior executive levels in the areas of Corporate Finance, Business Planning & Operations, R&D and Administration. His considerable strengths in the areas of Finance and Corporate Administration will greatly assist the Company as it advances towards production. Mr. Johnson's enviable record of achievements at the executive level includes, CFO at Early Detect Inc. where he supervised the financial activities of the Company and its subsidiaries over a span of 4.5 years. Mr. Johnson worked with EarlyDETECT until 2010.

Mr. Johnson is the CFO and director of WholeHealth Products Inc. and has been with WholeHealth Products from 2013 to present. Mr. Johnson also currently serves as CFO of Nunzia since August 1, 2019. Previously, he held positions of Chief Financial Officer, General Manager and Director in industry and also was a Senior Management and Finance Consultant to the manufacturing, retail, agriculture and service industries for fifteen years as well as Program Control Director and Management Consultant with a major international Engineering and Construction Corporation.

Early in his career, Mr. Johnson spent eleven years with the U.S. Department of Energy, Las Vegas, where he had the responsibilities of financial analysis, budgeting, and Safety analysis in the areas of nuclear explosives internationally. Since 2010, Mr. Johnson has served as Chief Financial Officer and Director of WholeHealth Products, Inc.

Wolfgang Groeters, Director, Business Control

Mr. Groeters' brings several decades of experience in health care and diagnostics and had worked as an engineer for Medtronic's, Bentley Laboratories LLC, Edwards Lifesciences Corp. and others. Wolfgang has a strong understanding of the health care industry in specialty items.

Dr. Scott A. Ford, Director

Dr. Ford practiced general dentistry for over 39 years retiring in 2016. Dr. Ford taught at USC Dental School as a clinical instructor, part-time for over 7 years both in Emergency Dentistry and Restorative Dentistry. Dr. Ford was a co-founder of Rowpar Pharmaceuticals, a privately held dental products corporation and manufacturer of ClōSYS® oral health products. Dr. Ford received his BA in Biology from UC San Diego in 1975 and DDS degree from University of Southern California School Of Dentistry in 1971.

Edgar B. Gonzalez, Executive Vice President

Mr. Gonzalez, who was born and raised in Southern California, has expertise spanning over 30 years in global finance and international investments. He has also been highly successful in the procurement of land and various products. He was the CEO of an American Company called California Investments for many years. Mr. Gonzalez brings a large, invaluable rolodex of international contacts to GWHP.

FINANCIALS SNAPSHOT

It should be noted that GWHP operates on a June 30 fiscal year. Therefore, the Company will soon file for what would be termed the 2020 fiscal year just ended. As we are unsure as to the booking of the Navy tests, we left the top-line for the fiscal year at zero, as the figure should not have a material impact on Company valuation. Thus, the forecasts investors should focus on represent 2021, 2022, and 2023 fiscal years that begin July 1. Against this backdrop, it should be noted that our forecasts have considerable upside to them, in our view. They represent sales of the anticipated EUA approval for the Company's COVID-19 test, along with sales of the approved tests produced by GWHP's two joint venture partners. Intuitively, we believe that meaningful sales of the proprietary diagnostic test will result in renewed interest in any of the Company's dozens of approved for sale tests, including other pandemic diagnostics (infectious diseases) or early screening tests.

Our forecasts reflect the recent diagnostic approval and a staged deployment during this fiscal year, to be conservative, as well as the JV product sales. This staged deployment and utilization is slated to rise dramatically, according to our model, beginning in FY22, with continued substantial growth in both revenue and EPS for the following year.

As outlined in Table I, we presently forecast a total revenue of \$8.7M for the current fiscal year, which essentially represents a little more than six months worth of revenue. The sales are divided in two categories: Professional tests (authorized labs, etc.) and Community tests (pharmacies, local screenings for residents). The bulk of revenue is clearly driven by the Professional tests. Even at \$8.7M in sales, which is a strong sales figure out of the gate, the estimate could be too low. Clinical and consumer demand for greater testing frequency may result in a jump to well over \$10M in sales for the year and occur in subsequent years as well. In any event, at present our operating margin is estimated to be over 42%, with EPS of at least \$0.05 for the period.

Table I. Global Wholehealth Partners Corp.

Projected Revenue by Type
(\$, 000)

	<u>FY21E</u>	<u>FY22E</u>	<u>FY23E</u>
Category			
Professional Tests	\$6,800	\$82,000	\$135,000
Community Tests	\$1,900	\$14,000	\$39,000
OTC Tests	\$0	\$3,000	\$28,000
TOTAL SALES	\$8,700	\$99,000	\$202,000

Sources: GWHP, Goldman Small Cap Research

For FY22, the pivot year, we project \$99M in revenue led by substantial gains in the two key testing categories and the introduction of OTC sales. As we do not have a solid handle on this line item, we note that we may be far too cautious in our forecast. It appears that OTC testing is very desirable not just by the Company but the FDA and mass market as well. With a high gross margin, major profit flows to the operating and net income lines, ultimately reaching \$0.56 per share in earnings. Big gains in all three categories should lead to \$202M in top-line and EPS of \$1.12 for fiscal 2023. Note an incremental increase in shares outstanding each year in this model, to account for small fundraisings and potential stock options.

(The pro formal financial model is found on page 12.)

RISK FACTORS

In our view, the Company's biggest risk is related to the timing of the FDA's prospective EUA approval of the Company's Antibody IgM/IgG in vitro diagnostic test kit. Given the strong sensitivity and specificity results in testing and, the FDA's inclination to approve many tests under the EUA application, we believe it will occur during this fiscal year. The next major risk is related to the timing and magnitude of the sales and marketing ramp, and subsequent broad implementation/utilization of the proprietary COVID-19 diagnostic test, and on a secondary basis, the tests produced by its JV partners.

We note that despite its enviable capabilities, and an order from the Department of the Navy demonstrating real-world results, it may initially be difficult for prospective authorized laboratory customers or other channels to differentiate them from the competition. Competitive risks include lower pricing, more effective sales/marketing, greater efficacy (sensitivity specificity/accuracy) of new competing tests, or the possible limited availability of the GWHP-marketed tests. Thus, our forecasts could be negatively impacted.

The aforementioned risks could come from larger competitors, existing firms, or new entrants. Still, these future concerns are consistent with firms of GWHPs size and standing. Moreover, we believe that GWHP's seasoned management team is prepared to overcome these hurdles and generate significant diagnostic test deployment.

Volatility and liquidity are typical concerns for microcap stocks that trade on the over the counter (OTC) stock market. It is also possible that the shares outstanding of this stock could increase due to potential working capital needs. However, an overriding financial benefit as a public company is the favorable access to and the availability of capital to fund product launches, consistent marketing campaigns and other initiatives. Since the proceeds of any future funding would be used in large part to advance major business development and sales, we believe that any dilutive effect from such a funding could be offset by related increases in market value.

CONCLUSION

GWHP is set to emerge as a major provider of COVID-19 diagnostics test kits, an estimated \$5.1 billion market. The Company has filed an Emergency Use Application (EUA) with the FDA for its rapid anti-body test with a response pending. In studies performed earlier this year, GWHP's diagnostic test produced such an enviable accuracy rate that the Department of the Navy placed an order for 1000 kits. The test's accuracy was found to be over 97%, with limited false positives, a major differentiator.

Once approved, the kit has significant advantages over existing tests in use today. These include low cost of \$25/test, rapid point-of-care (PoC) results in 15 minutes, which removes the main bottleneck to testing processes, and is made in the USA. GWHP boasts an impressive leadership team with access to major labs, retail organizations, and the future capability to produce up to 1M kits daily.

With over 400M tests performed worldwide and over 70M in the US, testing frequency and easy PoC access, is set to drive sales. We project sales will jump from \$8.7M in FY21 to \$99M in FY22 and \$202M in FY23, with EPS of \$0.05, \$0.56, and \$1.12, respectively.

If you missed the CODX run from \$3 to \$30, here is your second chance. COVID-19 test provider CODX reached a peak valuation of 20x next year's EPS. Using a similar multiple, we project GWHP could reach \$11.20 next year.

Table II. Global Wholehealth Parnters Inc.

Pro Forma Projected Statements of Income

(in thousands)

June 30 Fiscal Year

	FY20E	FY21E	FY22E	FY23E
TOTAL REVENUE	\$0	\$8,700	\$99,000	\$202,000
Cost of Sales	<u>\$0</u>	<u>\$3,741</u>	<u>\$43,560</u>	<u>\$90,900</u>
Gross Profit	\$0	\$4,959	\$55,440	\$111,100
<i>Gross Margin</i>	<i>N/A</i>	<i>57.0%</i>	<i>56.0%</i>	<i>55.0%</i>
SG&A	\$50	\$900	\$3,960	\$6,666
Professional Fees	\$900	\$1,300	\$2,800	\$4,000
R&D	\$10	\$400	\$900	\$2,000
Total Operating Expenses	\$960	\$1,300	\$7,660	\$12,666
Operating Income	(\$960)	\$3,659	\$47,780	\$98,434
<i>Operating Income Margin</i>	<i>N/A</i>	<i>42.1%</i>	<i>48.3%</i>	<i>48.7%</i>
Other Income	(\$444)	\$0	(\$500)	(\$1,000)
Interest and Other Charges	\$0	\$0	\$200	\$250
Pre-Tax Income	(\$516)	\$3,659	\$48,080	\$99,184
Income Taxes	\$0	\$732	\$13,462	\$27,772
<i>Tax Rate</i>	<i>N/A</i>	<i>20.0%</i>	<i>28.0%</i>	<i>28.0%</i>
Net Income	(\$516)	\$2,927	\$34,618	\$71,412
Attributable to Equity Holders				
Former Non-Controlling Interests				
Earnings Per Share	(\$0.01)	\$0.05	\$0.56	\$1.12
Estimated Shares Outstanding	57,344	60,000	62,000	64,000

Sources: GWHP, OTC Markets, and Goldman Small Cap Research



SENIOR ANALYST: ROBERT GOLDMAN

Rob Goldman founded Goldman Small Cap Research in 2009 and has over 25 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

ANALYST CERTIFICATION

I, Robert Goldman, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

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