

TECHNOLOGY STOCK PITCH

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TICKER:
(CLPT)

CLEARPOINT®

NEURO

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BIOTECHNOLOG

Y Definition

Biotechnology is the use of biology to develop and create new products and methods to improve the health of society. Through drug development and clinical research, biotech companies aim to treat and cure medical diseases and conditions.

Biomedical

Agricultural

Environmental

Biotech is the forefront of innovation, revolutionising and evolving healthcare systems.

Uses & Importance

Biotechnology plays a major role in our everyday lives – from how our food is sourced to the medicines and drugs we take for medical conditions. It has revolutionised healthcare with drug advancements and personalised medicines. Agriculturally, genetically modified crops are becoming more popular, addressing global food security challenges. Biotech also optimises manufacturing systems through enzymes, used to produce cosmetics and biofuels. Environmentally, biotech plays a leading role renewable energy production and waste management.

Healthcare	Industrial
Agricultural	Environmental

Biotech Enhancements

Personalised medications

Drug advancements

Genetically modified crops

Enhanced nutrition

Waste management

Sustainability

Enzymes

INDUSTRY

OVERVIEW

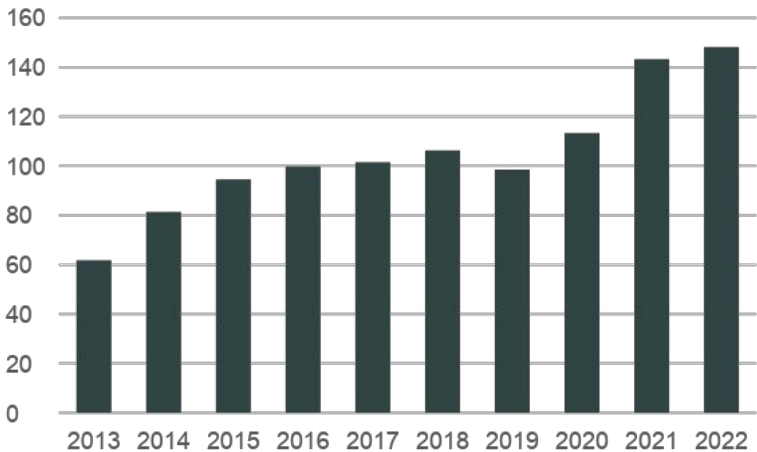
Biotechnology Market

The biotechnology market is rapidly growing. With government support and increased investment in biotech companies, North America has the largest market share, with key players including AstraZeneca pls, Abbott Laboratories and Celgene Corporation.

There is a consistent and growing demand for biotech companies with a growing global population and increased food and resource demand.

Growth has been strong in the US biotech sector, with the US commercially leading firms' revenues growing \$50 billion since 2019. This is expected to continue with artificial intelligence and technology continually improving.

US Public Biotech Company Revenues
– Commercial Leaders \$billions



Competitors

New View Surgical

TELA Bio

Market Leaders

Johnson & Johnson

AstraZeneca

Pfizer

Amgen

Market Outlook & Drivers

Increased investment

Government support

AI advancements

North America is the world leader in biotechnology, with the highest number of active biotech companies (2840). The global biotech market is expected to grow to \$3.7 trillion by 2032 – up from \$1.1 trillion in 2023. Biotechnology relies heavily on technology and artificial intelligence – with continued advancements in these sectors, clinical trials are being streamlined and drug developments are modernised. Biotechnology is characterised by long lead times – it can take years to get new drugs approved and distributed. Such advancements will shorten lead times and excel research & development opportunities.



OAKWOOD
FUND MANAGEMENT

COMPANY

OVERVIEW

Overview

ClearPoint Neuro is a medical device company that develops platforms to perform minimally invasive surgical procedures.. Its products are used in DBS, biopsy and delivery of drugs, biologics and gene therapy. Their team of world-class engineers and scientists work towards advancing treatments with neurological disorders.

New Product Growth Drivers Expected in 2024

Biologics & Drug Delivery

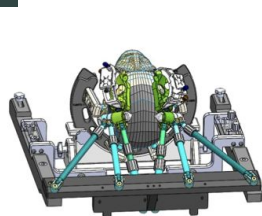
ClearPoint Orchestra Head Fixation Frame
Spinal Infusion Anchoring Devices

Navigation for DBS

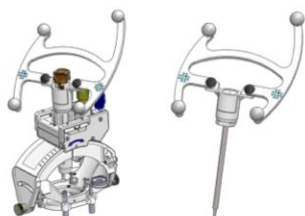
ClearPointer and SmartFrame OR

Laser Therapy

Compatible systems - AI predictive modelling
Array Parallel Trajectory Tumor Feature



ClearPoint Orchestra™ Head Fixation Frame



ClearPointer™ and SmartFrame OR™

Partners

ClearPoint supports partners through all stages of drug and therapy development with use of its MRI-guided stereotactic system. Guiding through clinical trials, they help navigate through regulatory checkpoints with industry-leading innovation.

The ClearPoint Navigation system provides real-time confirmation for pre-clinical studies and clinical trials.

Locations

ClearPoint is based in California at its Neuro Global Training & Innovation Center – a space dedicated to advancing treatment options for patients with complex neurological diseases.

They have over 75 centers that use the ClearPoint system in the US and Europe

Pillar Growth Strategy by 2025

Biologics & Drug Delivery

New Therapy Devices

Neuro Navigation for DBS

Achieve Global Scale

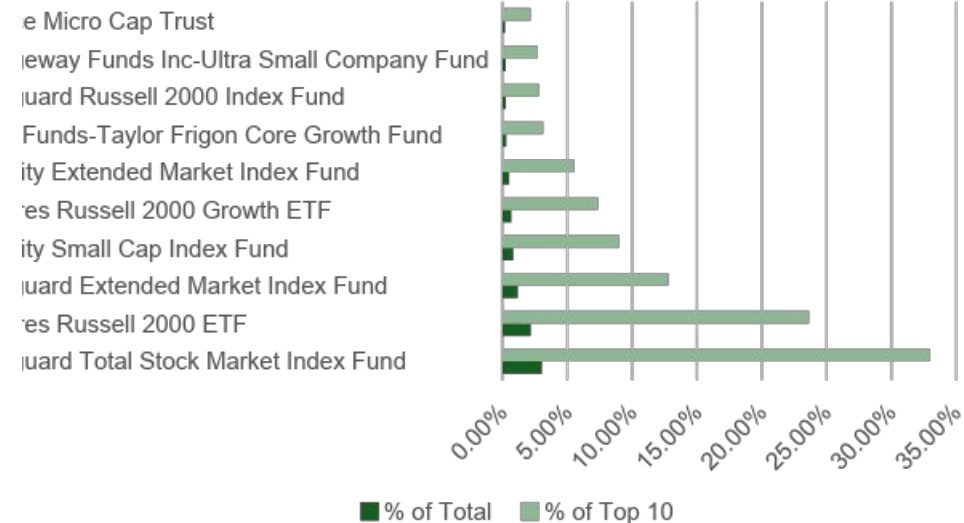
COMPANY OVERVIEW

Ownership & Holders

Top Ten Institutional Holders



Top Ten Fund Holders



ClearPoint Neuro Management Team



CEO – Joseph Burnett
CFO – Danilo D'Alessandro
COO – Mazin Sabra
CBO – Jeremy Stigall

Extremely experienced senior leadership team, with proven records in medical device technology provides reassurance the firm will continue to perform and thrive in research and development.

FINANCIAL

- ClearPoint recently reported preliminary fourth quarter revenue of **\$6.8** million beating analyst expectations by **\$300,000**

- **Up 23% YoY**, bringing revenue to \$24 million for the year

- Biologics and drug delivery revenue increased **55% YoY** in the third quarter to \$3.5 million.

- Functional neurosurgery navigation revenue was \$1.9 million in the third quarter, a **21% decline YoY**

ClearPoint's gross profit margin was 57% in the third quarter of 2023. Because revenue mix has a significant impact on gross profit, ClearPoint chose to achieve modest margins on capital sales as well as in biologics and drug delivery preclinical services to sustain business growth.

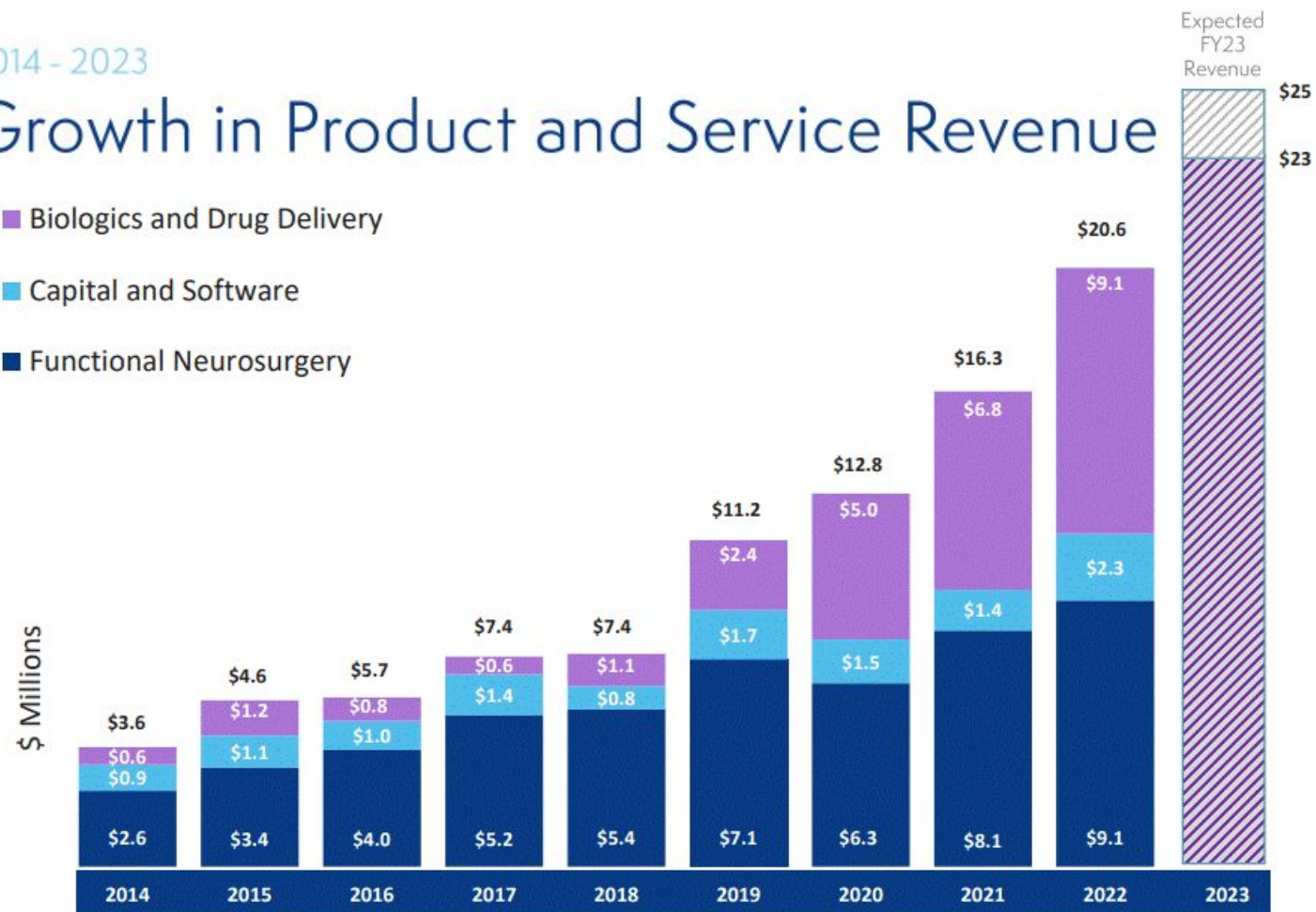
To see large share growth, they are attempting to be FDA approved.

FINANCIALS (\$M)	Actual Yr 2020	Actual Yr 2021	Actual Yr 2022	Actual TTM
Free Cash Flow	-7.72	-12.76	-15.88	-36.36
Net Income	-6.78	-14.41	-16.44	-37.63
Revenue	12.83	16.3	20.55	49.68

2014 - 2023

Growth in Product and Service Revenue

- Biologics and Drug Delivery
- Capital and Software
- Functional Neurosurgery



Revenue is expected to be between 28-32 million USD in 2024, representing growth of **17-33%**, with product launches driving growth.

SWOT

ANALYSIS

Strengths



Debt is well covered by earnings.



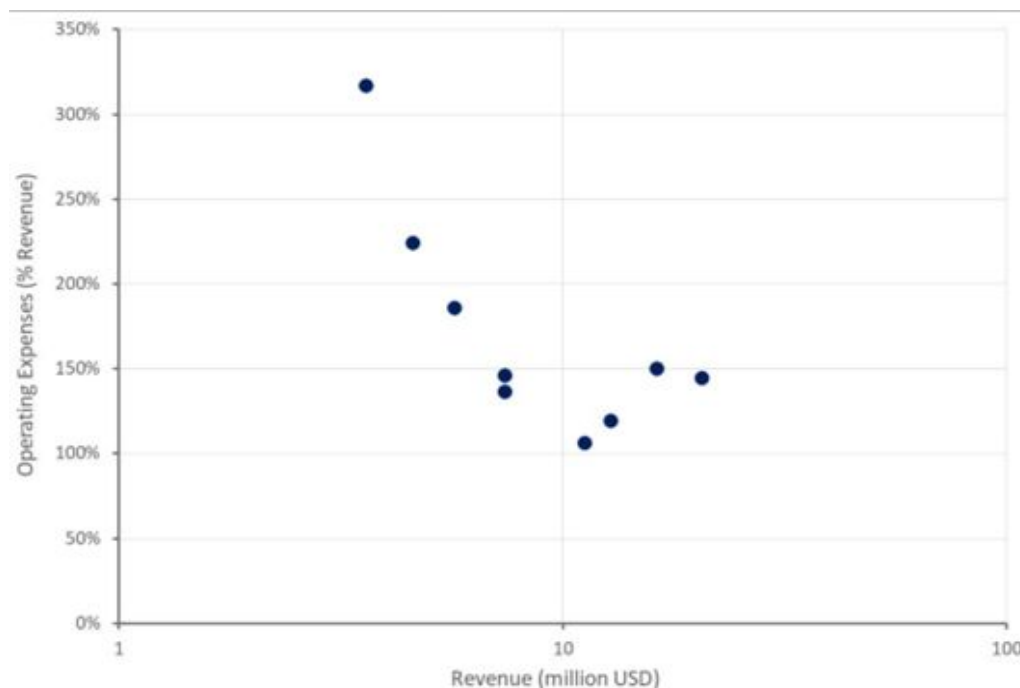
Undervalued by more than 20%

Weaknesses



Debt is not well covered by operating cash flow

Revenue to Operating Expenses



Opportunities



Forecast to reduce losses next year.



Has received European Medical Device Regulation clearance so can expand

Threats



Has less than 3 years of cash runway based on current free cash flow



Not expected to become profitable over the next 3 years

INVESTMENT

THESIS

Recent Regulatory Approvals and International Expansion

ClearPoint Neuro has recently obtained FDA clearance for certain neuro-oncology procedures, expanding the addressable market for its technology and paving the way for revenue growth in this segment. It has also received approval from European Union regulators to distribute its products throughout Europe, expanding its market potential and international presence beyond the United States.

Risk & Mitigant 1

Slow adoption of ClearPoint's technology may impact revenue and market reach. This risk can be mitigated by educating and training healthcare professionals and providing clinical evidence demonstrating the efficacy and safety of the company's products.

Product Differentiation and Competitive Advantage

ClearPoint offers superior accuracy and real-time visualization compared to traditional neurosurgery techniques, providing a compelling value proposition for surgeons. The company's established presence in the market and strong intellectual property portfolio provide a significant barrier to entry for potential competitors.

Risk & Mitigant 2

Competition from larger medical device companies or emerging startups could erode ClearPoint Neuro's market share and pricing power but its focus on continuous innovation and R&D should help it stay ahead of competitors

Market Growth Potential

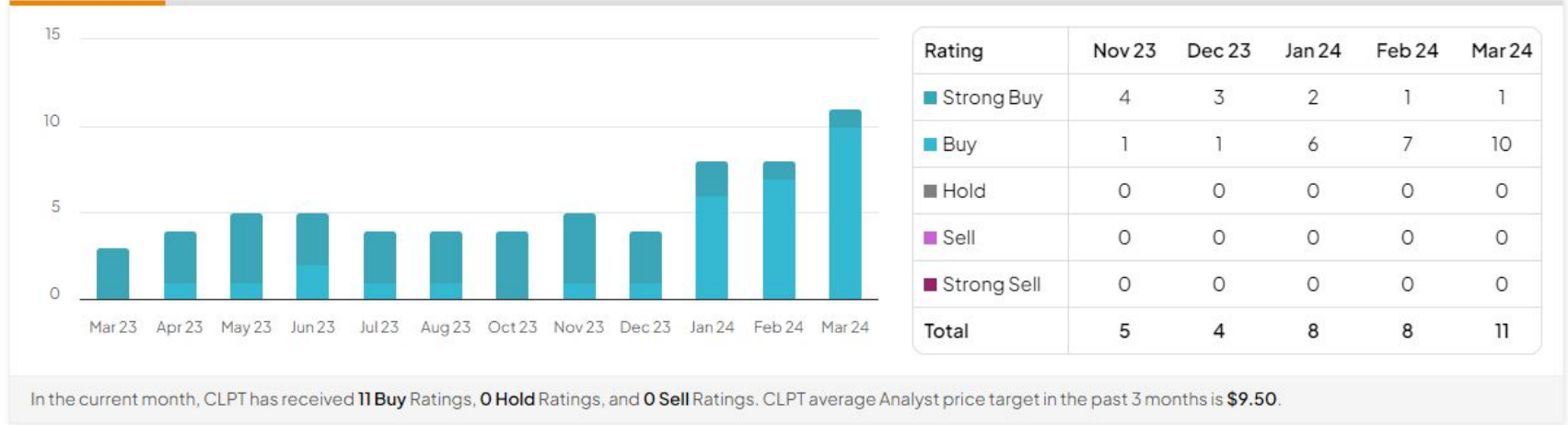
Neurosurgery is witnessing a shift towards minimally invasive techniques, driven by patient demand for safer and more effective procedures. ClearPoint Neuro's innovative technology addresses the need for precision in neurosurgical procedures, positioning the company to benefit from the expanding market.

Risk & Mitigant 3

Execution challenges, such as manufacturing delays, supply chain disruptions, or ineffective sales and marketing strategies, could hinder ClearPoint Neuro's growth and profitability if these are not managed well.

VALUATION

External Professional Analysis



Earnings Calls

Metric: Revenue Growth (YoY)					1D	5D	1M	6M
CLPT	16.56	OBIO	-15.76K	STXS	-4.89	PROF	7.75	
Revenue Growth (YoY) since 03/31/2023 (275 days)		Revenue Growth (YoY) since 03/31/2023 (183 days)		Revenue Growth (YoY) since 03/31/2023 (275 days)		Revenue Growth (YoY) since 03/31/2023 (275 days)		

Dec 2023

EPS beaten by 6.56%

▲


EPS (USD)

ⓘ

Expected	Reported	Surprise
-0.20	-0.19	6.56%

Revenue (USD)

Expected	Reported	Surprise
6.53M	6.81M	4.23%

FIRM		ANALYST	
B Riley Securities		William Wood	
Lake Street Capital Markets		Frank Takkinen	
Stifel		Mathew Blackman	
<div>Analysts' Consensus</div> <div>Sell  Buy</div>			
Mean consensus		BUY	
Number of Analysts		3	
Last Close Price		7.21 USD	
Average target price		10 USD	
Spread / Average Target		+38.70%	

Discounted Cashflow

Discounted Cash Flow Model (\$ Millions) (Ticker: UMC) --- Latest Financials 30/9/2023									
As of Wed 20th, 2024	Actual Yr 2020	Actual Yr 2021	Actual Yr 2022	Actual TTM	Estimate Yr 2023	Estimate Yr 2024	Estimate Yr 2025	Estimate Yr 2026	Terminal Value (2027+)
Free Cash Flow	-7.72	-12.76	-15.88	-36.36	-22.088	-13.10	-3.50	2.10	3.91
PV Future CF @ 6.8%	270.16				-20.586	-12.30	-3.10	1.70	3.00
Capitalisation	Small Cap		Name	Sector	Industry	Discount Rate (%)			
Market Cap	192.62		ClearPoint	Technology	BioTech	6.8		Aliases	
Shares O/S	26.98							Surgi-Vision	
Calculated Stock Price	10.01		WACC	Founded	Employees	Location		Surgi Vision, Inc	
Actual Stock Price (\$)	6.98		7.50%	1988	108	USA		MRI Interventions, Inc	
Stock is Trading At A:	35.668% Discount (BUY)							Clearpoint Neuro, Inc	



ES

G

Social Responsibility & Workplace Development

Clearpoint aims to foster a positive workplace environment for all its employees and is passionate about creating a workplace that promotes and values inclusion, so they can champion diversity.

Social Impact

ClearPoint Neuro's mission is to improve and restore quality of life to patients and their families by enabling therapies for the most complex neurological disorders with pinpoint accuracy.

UPCOMING EVENTS &

NEWS

Expanding to Europe

Clearpoint Neuro received European Medical Device Regulation clearance for the manual SmartTwist® MR Hand Drill and SmartTip® MR Drill Kit.

Additionally, the Company received updated certification from its Notified Body allowing for shipment of products manufactured at its new California facility to Europe.

Stock Performance



Q4 Results Announcement & Outlook

Clearpoint had an excellent fourth quarter of 2023 and has had a strong start to 2024, both financially and in the execution against their four pillar growth strategy, which includes biologics and drug delivery, functional neurosurgery, navigation therapy and access products.

By achieving global scale, they continue to expect growth in 2024 of approximately 25% to 35%, fueled by the continued expansion of Preclinical Services, the progression of their pharma partners through the global regulatory and clinical trial process.

Clearpoint Neuro total revenues were \$24 million for the year ended December 31st, 2023, which represents a 17% increase over revenue of \$20.6 million in 2022.

PRICE FORECAST



FINAL RECOMMENDATION -

BUY

Valuation

16.56% YoY Revenue Growth

DCF Value: \$10.01

1 Strong Buy rating and 10 Buy ratings

EPS beaten by 6.56%

Current Price

~ \$6.98
[NASDAQ: CLPT]

Price Targets & Upside

\$10

>43.27%

Investment Thesis Reiteration

Recent Regulatory Approvals and International Expansion

Product Differentiation and Competitive Advantage

Market Growth Potential

Positive Sentiment within Professional Community

Allocation & Purchase

15-25% of Fund

As soon as possible

Investment Period

6 - 12 Months

12 - 24 Months