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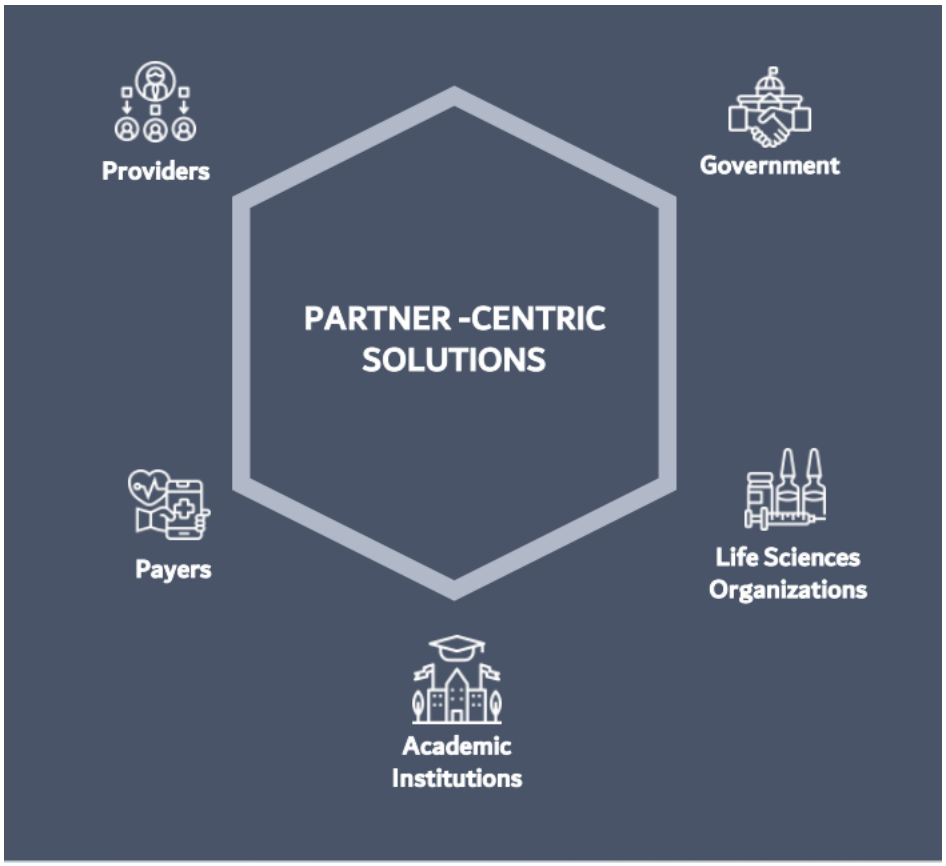
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Syra Health (SYRA-NASDAQ)

SYRA: Takeaways from Life Science Investor Forum Presentation

Research Note

We participated in a chat with Syra Health Corp. (NASDAQ: SYRA) Executive Chairman and President Sandeep Allam yesterday at the Life Science Investor Forum and present our takeaways in this note. Mr. Allam also co-founded Syra Health. Prior to co-founding the company, he launched, managed and grew multiple companies and organizations in the fields of emerging IT, renewable energy, and healthcare. SYRA is a healthcare technology company developing end-to-end solutions in behavioral and mental health, digital health, population health, health education services, management and healthcare workforce and government services. The company views these areas as likely to experience growth as the U.S. focus on a healthier population continues to rise and presents strong opportunities.



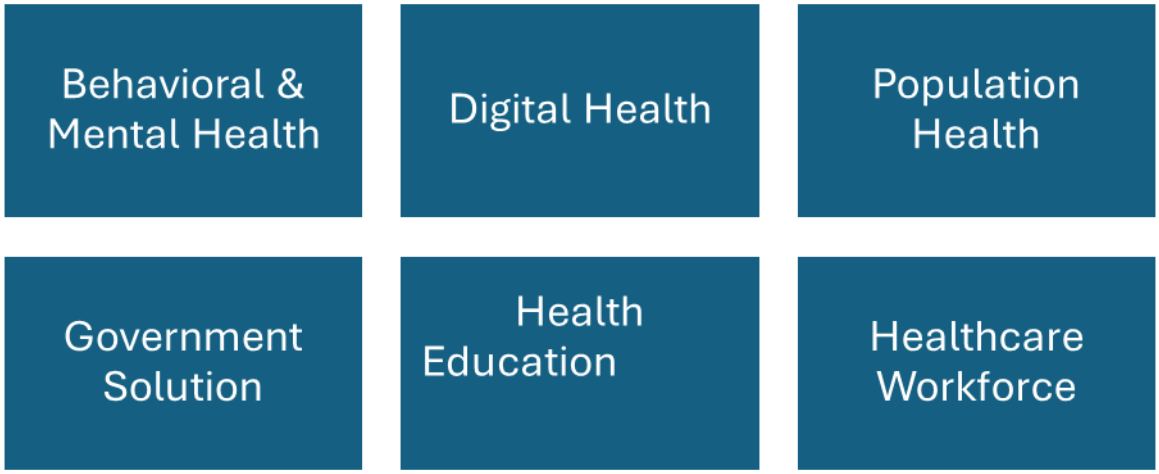
Source: Company-presentation

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To help its customer partners advance healthcare accessibility and quality, SYRA provides a broad array of solutions and services within these areas to payers, providers, life sciences organizations, academic institutions, and government agencies. SYRA focuses its solutions on prevention, improving access, and making care more affordable, with the goal of helping those it serves develop a healthier overall population. The company aims to provide preventive tools and solutions to minimize risks of mental and other health crises.

Growing product portfolio, including Syrenity

The company also has a growing product portfolio. To-date, Syra Health has introduced key products to support its growth strategy. SYRA's product portfolio includes Syrenity, CarePlus, and SyraBot, among others, focused on various aspects of patient healthcare, organizational efficiency, and to address mental and behavioral health concerns. Mr. Allam spoke about the company's use of and the benefits of artificial intelligence (AI), including when collecting and analyzing data sets around population health. The company also leverages AI tools to provide targeted education and real-time information to customers. Syrenity is evidence-based and provides easy to access tools to enable users to identify, record and prevent the progression of potentially harmful factors influencing their behavioral and mental health, which aligns with the company's areas of core focus, illustrated below.



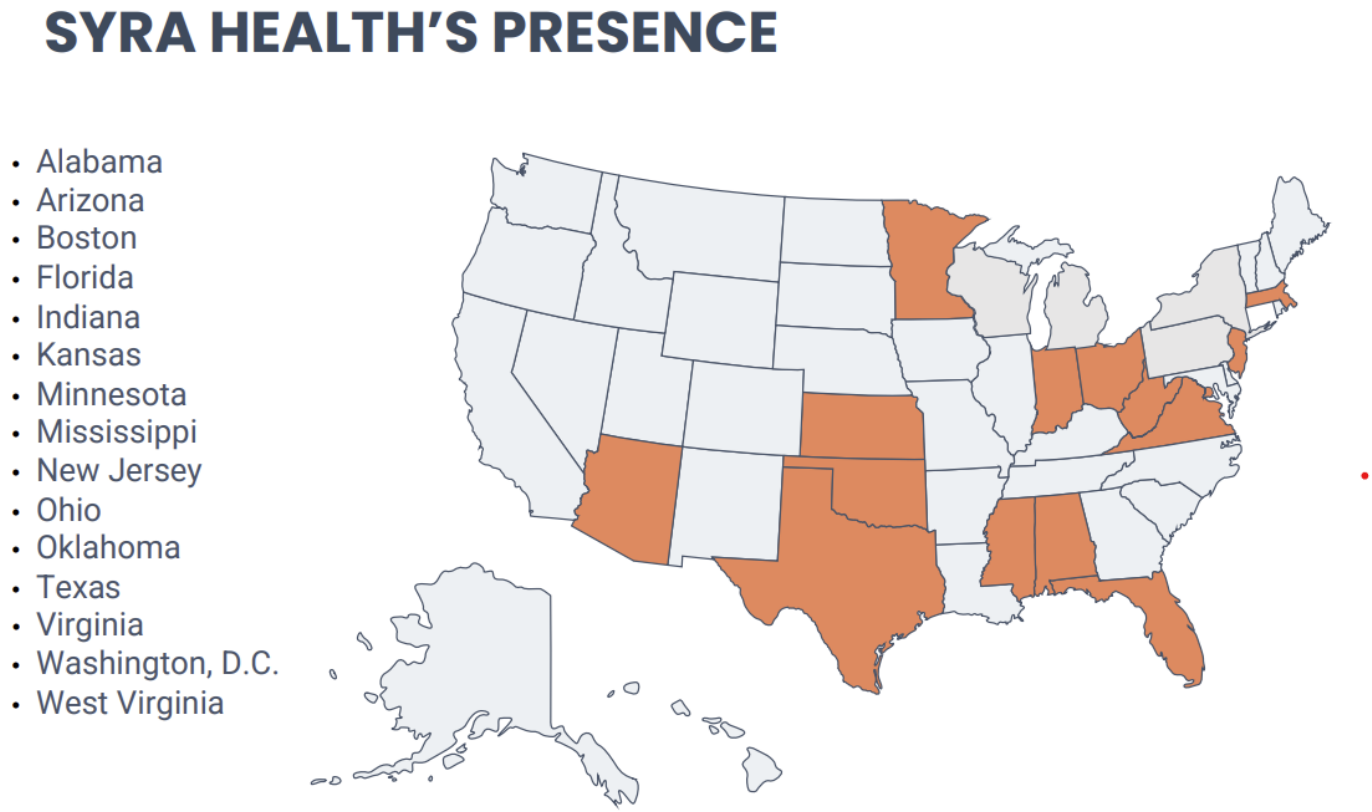
Source: Company reports

The company's goal is to become a leader in delivering healthcare solutions and providing customizable end-to-end solutions for the public and private healthcare sectors. SYRA expects to further expand its infrastructure, products and solutions to support its growing portfolio of healthcare services. Among its goals to execute its strategy, the company also plans to open offices in various markets to support sales and business development. SYRA expects to achieve organic growth and potentially might also consider strategic investments, including opportunistic M&A to complement and accelerate organic growth opportunities.

New contract award marks company's expansion into its 16th state

Mr. Allam reiterated that SYRA is poised for growth and optimistic about 2024 and beyond. Reflecting the efforts of the company's new business development team, SYRA has had substantial new business activity in recent months that likely supports the company's optimistic outlook. Reflecting this activity,

SYRA's contracts span services across 16 states, with new wins in existing and additional markets expected.



Source: Company presentation At year-end 2023

For instance, a new contract signed last month with Douglas County, Nebraska marked the company's expansion into its 16th state. SYRA was awarded a healthcare workforce contract to provide temporary nursing staffing services in support of Douglas County, Nebraska, including in the state's largest city, Omaha. Moreover, under a contract that began on December 31, 2022, and which remains in effect through December 31, 2024, with potential for renewals, Syra Health provides competency attainment services to the Indiana Department of Child Services (DCS) and aims to provide similar services across multiple states.

Partnership represents company's first participation in federal-based contract

Separately, last month SYRA announced a partnership for a federal contract that overall is valued at $75 billion. Specifically, SYRA has been selected as a subcontractor for this contract, which was awarded to Georgia-based Caduceus Healthcare by the federal Department of Health and Human Services (HHS), Administration for Families and Children (ACR), Office of Refugee Resettlement (ORR) Medical Staffing and Support. Syra Health will provide multiple services to Caduceus Healthcare as a sub-contractor to support this award. Overall, the contract is for Caduceus Healthcare to provide temporary shelter, care facilities, direct care services, medical care, case management, education, and transportation in support of HHS's Influx Care Facilities. SYRA believes this represents an important milestone as the company continues to expend its operating footprint. Moreover, having introduced its federal government solutions unit only a few short months ago in December 2023, the company believes this also underscores the value of its growing portfolio of products, tools and services. This sub-contractor award represents SYRA's first federal-based contract.

In addition, this week SYRA announced a one-year, $660,000 contract with a national healthcare organization for Syra Health to provide Healthcare Effectiveness Data and Information Set (HEDIS®) outreach and support services that are considered essential for fostering positive health outcomes and lowering costs. HEDIS, developed by the National Committee for Quality Assurance (NCQA), plays a critical role in healthcare quality measurement and improvement initiatives. Syra Health will collect data and acquire information from the Indiana population, including Medicaid members, hospitals, and physicians.

MARKET OPPORTUNITY

The company believes the overall market opportunity for its broad product and service portfolio is sizable, reflecting current unmet healthcare needs and the growing focus on preventive tools to avert behavioral and mental health crises before they occur. SYRA puts the size of the U.S. digital health market, one area in which it operates, north of $210 billion. At the same time, the country is experiencing a growing healthcare workforce shortage, which was exacerbated during the pandemic and which is expected to persist. For example, the country is expected to face a shortage of up to 124,000 physicians by 2034, according to the Association of American Medical Colleges. These factors support the potential for preventive tools and services to help mitigate mental and other health crises, in our view.

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