

# PAVmed Inc.

*Reports Q2 with solid progress. Lucid and Veris large ramp up should drive stock much higher. Lowering P/T to \$7.00.*

**Reports Q2:** PAVmed recently (on August 15) reported its Q2 2023 (ending June) results. Revenue was \$0.2 million, compared with our and consensus estimates of \$0.5 million. Pro forma net loss was \$9.9 million or EPS of \$(0.09), compared with our and consensus estimate of \$(0.19). There was no Q2 guidance. PAVmed's Lucid business (which represents all of PAVmed's revenues) is still early in its commercialization and Veris is at an even earlier stage so the company generates minimal revenue currently, but is expected to grow significantly in 2023/2024.

**EsoGuard growth:** Lucid processed 2,202 tests in Q2, up from 1,841 tests in Q1, 1,174 tests in Q4 2022, 1,088 tests in Q3 2022. Because it is still early in the billing/collection process, the company has deferred revenue recognition until cash is collected so revenue is not recorded when the tests are performed (for now). We estimate that there are ~\$10 million in potential test revenue backlog from those performed, but not yet collected.

**Operating expenses:** Operating expenses were \$15 million, down from \$20 million in Q1 2023 due to its recent reorg and cost cuts.

**No guidance:** Management did not provide forward guidance.

**Adjusting estimates:** We are adjusting our 2023 estimates for revenues to \$1.4 million, from \$7.0 million, and for EPS to \$(0.47) from \$(0.67).

**Reorg:** In January, PAVmed announced that it will focus on its EsoGuard and Veris Health products and will pause development of its other products (including CarpX). This action includes a workforce reduction of ~20%, product portfolio streamlining, and other cost-cutting measures which should lower quarterly cash burn by ~25%.

**Focused on Lucid and Veris commercialization:** PAVmed is focused on commercialization of Lucid and Veris Health. Both are still very early in their commercialization, but are expected to grow significantly in 2023/2024.

**Lucid as catalyst:** We believe Lucid's high growth and ramp up in commercialization will be a major catalyst for PAVmed's stock. Lucid is targeting multiple sales and marketing channels and building Lucid's own network of EsoCheck Test Centers to assure sufficient testing capacity and geographic coverage. Lucid is also broadly expanding its high volume #CheckYourFoodTube Precancer Detection Events.

**Medicare news:** In March, Lucid received a Future Effective Local Coverage Determination (LCD) for testing for esophageal precancer in Medicare beneficiaries that will likely pave the way for Medicare reimbursement around mid-2023.

**Veris Health software launched:** Veris Health is a digital health company with tools to improve personalized cancer care through remote patient monitoring. In Q4 2022, Veris commercialization and software launch began with the Veris Cancer Care Platform. Veris will launch the next generation of its software along with developing a biopharma companion digital module to support new cancer therapeutics and to seek FDA clearance as a SaMD (software as a medical device) for actively diagnosing and treating patients. Veris continues to make progress toward regulatory 510(k) submission (in 1H 2024) of its implantable monitor which is targeted for commercial launch next year (in 2024).

**Large market potential:** Cancer is the 2nd leading cause of death in the U.S. (behind heart disease) with ~600,000 deaths a year. Digital health and medtech are high growth areas.

**Balance sheet:** In Q2, PAVmed had \$37 million in cash and \$43 million in debt. We believe the company has enough cash into 2024.

**Positive risks versus rewards:** PAVmed's devices still have long development and commercialization challenges ahead, but we believe the ~billion dollars market potential presents high rewards for the risks.

**Current valuation attractive:** We are maintaining our BUY rating, but lowering our 12-month price target to \$7.00 from \$7.50 based on a NPV analysis. This represents significant upside from the current share price and we believe this valuation appropriately balances out the company's high risks with large upside opportunities.

## Company Description

Based in New York, NY, PAVmed is a clinical/early-stage commercialization multi-product medical device company focused on developing innovative medical technologies.

United States  
Healthcare

September 5, 2023

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## COMPANY UPDATE

**Rating: BUY**

Ticker: PAVM

Price: \$0.40

Target: \$7.00  
(from \$7.50)

## Stock Data

Exchange:	NasdaqGS
52-week Range:	\$0.21 – 1.32
Shares Outstanding (million):	111
Market cap (\$million):	\$44
EV (\$million):	\$50
Debt (\$million):	\$43
Cash (\$million):	\$37
Avg. Daily Trading Vol. (\$million):	\$0.4
Float (million shares):	104
Short Interest (million shares):	4
Dividend, annual (yield):	\$0 (NA%)

## Revenues (US\$ million)

	<u>2023E</u> <u>(Cur.)</u>	<u>2023E</u> <u>(Old)</u>	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>
<b>Q1 Mar</b>	0.4A		1.0E	2.5E
<b>Q2 Jun</b>	0.2A	0.5E	1.5E	3.5E
<b>Q3 Sep</b>	0.3E	1.3E	2.0E	5.0E
<b>Q4 Dec</b>	<u>0.5E</u>	<u>4.8E</u>	<u>3.5E</u>	<u>6.0E</u>
<b>Total</b>	<b>1.4E</b>	<b>7.0E</b>	<b>8.0E</b>	<b>17.0E</b>
EV/Revs	36x		6x	

## Earnings per Share (pro forma)

	<u>2023E</u> <u>(Cur.)</u>	<u>2023E</u> <u>(Old)</u>	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>
<b>Q1 Mar</b>	(0.10)A		(0.13)E	(0.17)E
<b>Q2 Jun</b>	(0.09)A	(0.19)E	(0.13)E	(0.16)E
<b>Q3 Sep</b>	(0.14)E	(0.19)E	(0.13)E	(0.15)E
<b>Q4 Dec</b>	<u>(0.14)E</u>	<u>(0.18)E</u>	<u>(0.12)E</u>	<u>(0.14)E</u>
<b>Total</b>	<b>(0.47)E</b>	<b>(0.67)E</b>	<b>(0.50)E</b>	<b>(0.62)E</b>
P/E	N/A		N/A	

## Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

**For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 18.**

## Exhibit 1: PAVmed Company Overview



### Highly Differentiated Multi-Product Commercial-Stage Medical Technology Company



*Founded 2014*



*Nasdaq IPO 2016*



*Diversified  
Product Portfolio*



*Groundbreaking  
Technologies  
Addressing Important  
Unmet Clinical Needs*



*Business Model  
Focused on  
Speed to Market*



### Innovation & Value Creation Engine

*Internal Innovation >>>*

*License or Acquire >>>*



*Products >>>*




Source: Company reports

## Exhibit 2: PAVmed's Major Subsidiaries



### Major Subsidiaries

**Diagnostics**



**Lucid**  
diagnostics  
**Early Detection of Esophageal  
Precancer & Cancer**

- Commercial-stage
- Founded May 2018
- Licensed technologies from Case Western Reserve University
- Managed and financed by PAVmed
- PAVmed Stake = 75.5%
- IPO Oct 14, 2021 (Nasdaq: LUCD)

**Digital Health**



**VERIS**  
HEALTH  
**Digital Cancer Care Platform &  
Intelligent Vascular Port**

- Founded May 2021 with acquisition of Oncodisc, Inc. and its digital health technologies
- Managed and financed by PAVmed
- PAVmed stake = 80%
- Accepted into Microsoft for Startups
- PAVmed Stake = 80%
- Target commercialization H2-2022

Source: Company reports.

## Exhibit 3: PAVmed Products Highlights

### Recent Highlights



- Remote patient monitoring with **Veris Cancer Care Platform** now live
- **Expanding commercial footprint** with robust nationwide pipeline
- **Subscription payments have begun** under software-as-a-service recurring-revenue business model
- **Gary Manning appointed Veris President** to hone strategy and expand commercial horizons



- EsoGuard **test volume growth accelerating**
- Majority of EsoCheck cell collection now at **satellite Lucid Test Centers**
- Strong nationwide **growth in high-volume testing events** with robust near-term pipeline

Source: Company reports

#### Exhibit 4: PAVmed's January 2023 Restructuring



- Launched a **strategic restructuring initiative** designed to maximize cash runway and protect long-term shareholder interests in challenging market conditions
- Adjustments in near-term **strategic priorities** and associated **resource allocation**
- Shifted substantially all resources and efforts on accelerating commercialization of **Lucid and Veris** products
- Meaningful **reduction in workforce** and quarterly **cash burn**
- Initiative completed, durable positive impact on consolidated cash runway and strength of balance sheet
- Further enhanced by \$24.6 million Lucid financing

Source: Company reports.

#### Exhibit 5: Lucid Diagnostics Overview (as of October 2021)



**Nasdaq: LUCD**

#### Commercial-Stage Cancer Prevention Medical Diagnostics Company

- Founded May 2018 to license technologies underlying EsoGuard & EsoCheck from Case Western Reserve University
- ~\$25B total addressable market opportunity
- PAVmed paid ~\$50K cash, retained 82% equity
- Managed and financed by PAVmed
- ~\$30M invested over ~3.5 years
- Advanced EsoGuard & EsoCheck to commercialization
- Secured \$1,938 Medicare payment
- Nasdaq IPO October 14, 2021
- Raised \$70M in growth capital at \$467M IPO valuation
- PAVmed Stake pre-IPO 72.7%, post-IPO 75.5%



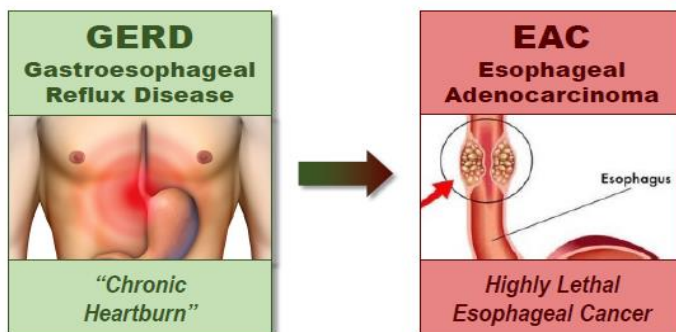
Source: Company reports.



Exhibit 6: Lucid Diagnostics



## Commercial-Stage Diagnostic Technology Company Focused on Early Precancer Detection



**MISSION: Prevent EAC Deaths in At-Risk GERD Patients**

### Lead Lucid Products

First and only commercially available test capable of serving as a widespread screening tool to prevent EAC deaths through early detection of esophageal precancer



**EsoGuard**  
esophageal DNA test



**EsoCheck**  
cell collection device



Both major gastroenterology societies now support  
EsoCheck as an acceptable alternative to endoscopy for early  
detection of esophageal precancer to prevent EAC deaths

### Highlights



**EsoGuard**  
commercialized as  
LDT at dedicated  
CLIA/CAP Laboratory



**Lucid Test Centers**  
operating in 13 states



**Effective CMS**  
Payment



**FDA Breakthrough**  
Device Designation



**Minimum 30 Million**  
U.S. target population  
already recommended  
for screening



**EsoGuard &**  
EsoCheck supported  
by professional  
society guidelines



**Near-Term Value**  
Inflection Milestones



**Multi-Billion U.S. TAM**

4

Source: Company reports.

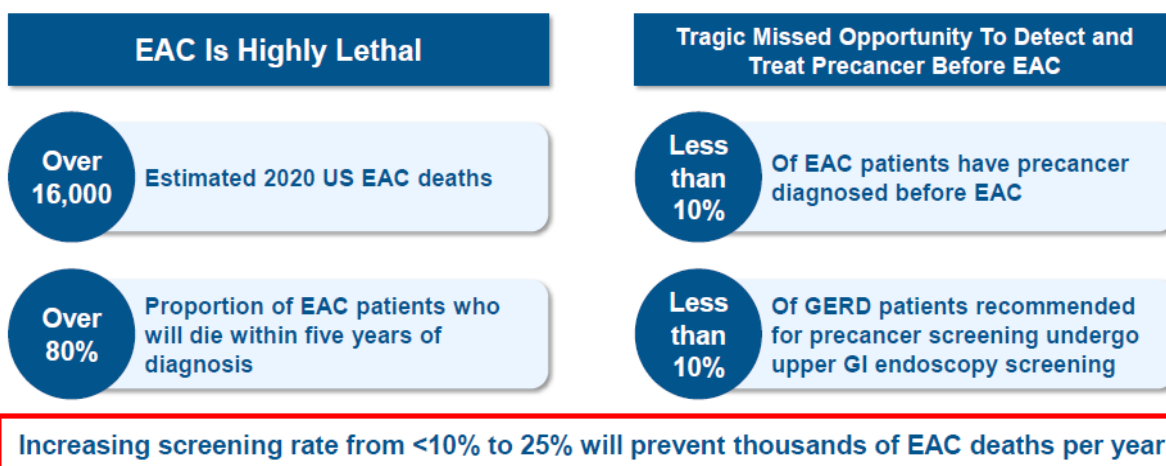
## Exhibit 7: EsoCheck and EsoGuard Market Opportunity

### EAC Precancer Screening to Prevent EAC

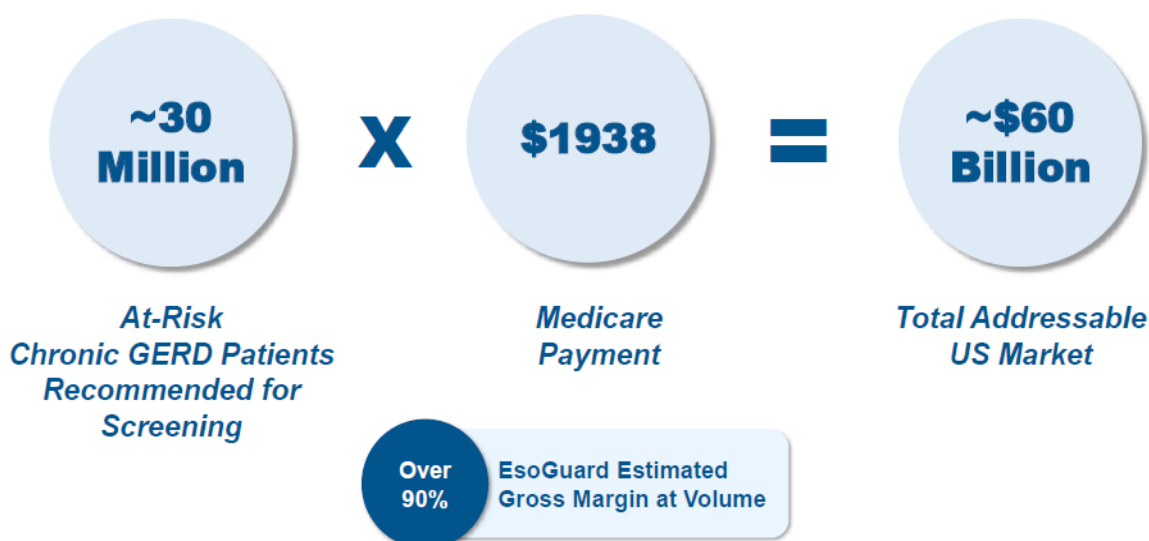
Major unmet clinical need

Necessary to prevent EAC deaths through early precancer detection

~13 million high-risk GERD patients already recommended for precancer screening by professional society guidelines



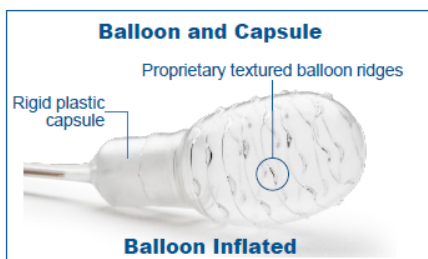
### EsoGuard Commercial Opportunity



Source: Company reports.

## Exhibit 8: The EsoCheck Procedure

# The EsoCheck Esophageal Cell Sampling Procedure



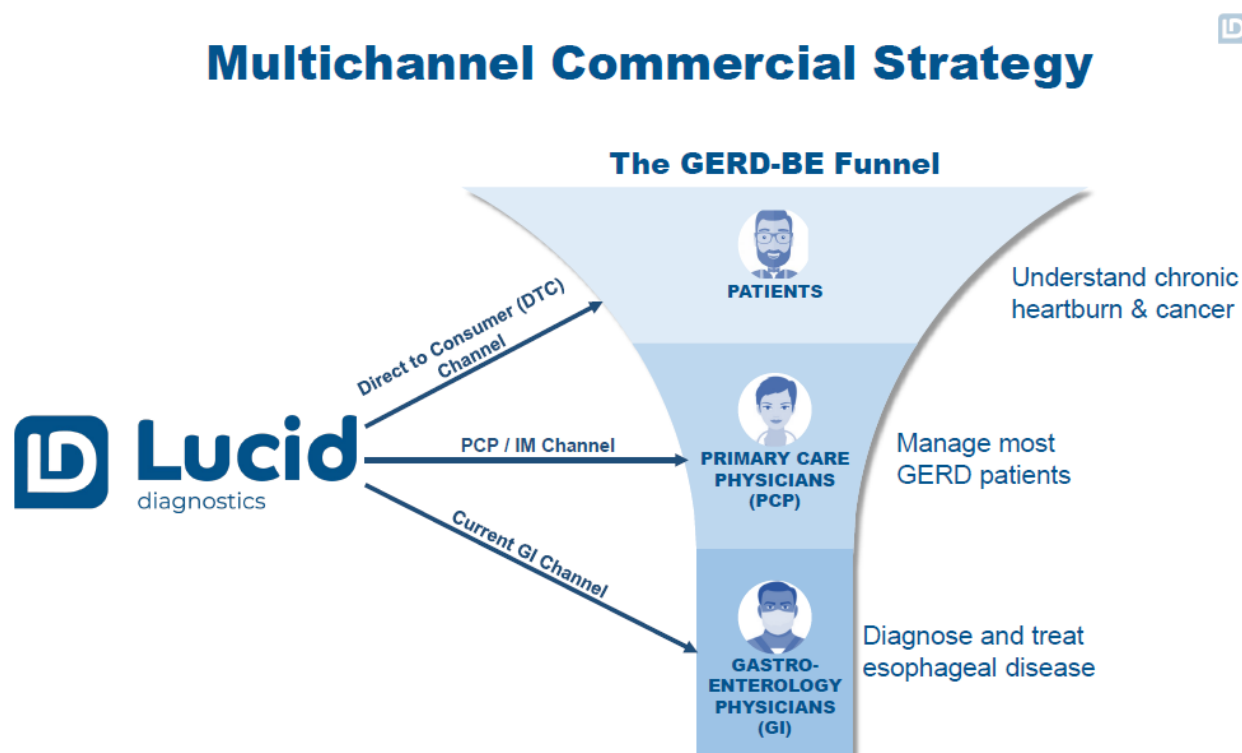
**Less than 5-minute, non-invasive office-based alternative to endoscopy**  
**Anatomically targeted cell sampling from lower 5 cm of esophagus where BE-EAC occurs**  
**Protects sampled cells from dilution and contamination during device removal which is critical to accurately detect low-level precancer signal**

## EsoCheck Procedure Steps



Source: Company reports.

Exhibit 9: Lucid Growth Strategy



## EsoGuard Commercial Strategy

REFERRAL SOURCE	PCP	Specialty / Institution
Target	Primary Care Physician	Specialists (GI, Foregut, ENT) Institutions (large practices, hospitals)
GOAL	Order EsoGuard Test	Build EsoGuard Program

CELL COLLECTION SITE	Lucid Test Center (LTC)	Satellite Lucid Test Center (sLTC)	Physician Practice
EsoCheck Procedure Operator	Lucid NP	Lucid NP	Practice RN / NP / PA

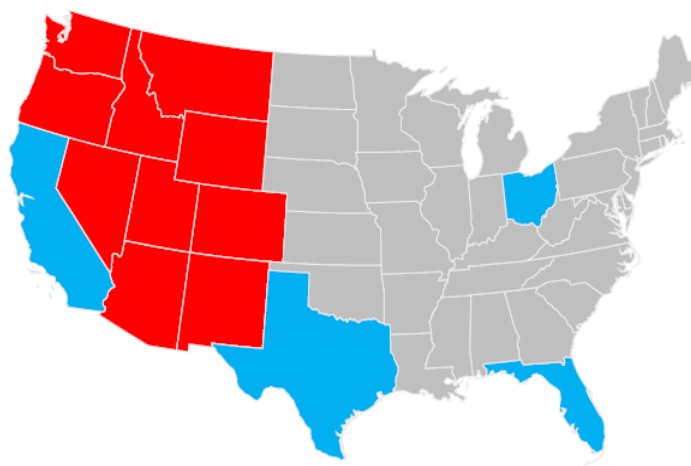
Source: Company reports.



**Exhibit 10: Lucid Test Centers (as of Q2 2022)**

## Lucid Test Centers

Stage 1	Stage 2
Glendale, AZ	Lake Forest, CA Launched
Tempe, AZ	Columbus, OH Launched
Scottsdale, AZ	Las Colinas, TX Launched
Lone Tree, CO	Delray Beach, FL Launched
Henderson, NV	TBD 3Q22
Murray, UT	TBD 3Q22
Seattle, WA	TBD 4Q22
Portland, OR	TBD 4Q22
Boise, ID	TBD 4Q22



## Lucid Test Centers



**EsoGuard**  
esophageal DNA test



### A new test for early detection of precursors of esophageal cancer

While reflux is common, your patients may not know that chronic GERD can lead to BE and EAC. The EsoGuard esophageal DNA test detects the cellular changes caused by reflux.

How it works: distal esophageal cells are sampled using a simple, non-endoscopic five-minute office-based procedure, shipped in the provided preservative and mailed, and analyzed at our lab. Binary results (positive or negative) are available within a few weeks.

### Who should be considered for testing?

2016 American College of Gastroenterology Guidelines recommends screening in high-risk GERD patients:

**Individuals >50 years old with chronic GERD (>5 years) and/or frequent (weekly or more) GERD symptoms**

plus two additional risk factors:

- Caucasian
- Male
- Central Obesity
- Past or Present History of Smoking
- Family History of BE or EAC

Patients may be referred to Lucid Test Centers:

9700 N 91st St, suite A-115  
Scottsdale AZ 85258

4494 W Peoria Ave Ste 115A  
Glendale, AZ 85302

1845 E Broadway Rd Ste 116  
Tempe, AZ 85282

For prescribing information call:  
(623) 687-2386

Estimated Quarterly Operating Costs	Nurse Practitioner	\$30,000
	Medical Assistant	\$12,500
	Lease, Other	\$2,500
	Total	\$45,000
Procedure	Max tests per day	20
	Billed rate per test	\$2,000
Revenue Opportunity	Daily	\$40,000
	Weekly	\$200,000
	Quarterly	\$2,600,000
	Break even	1.7 tests / week

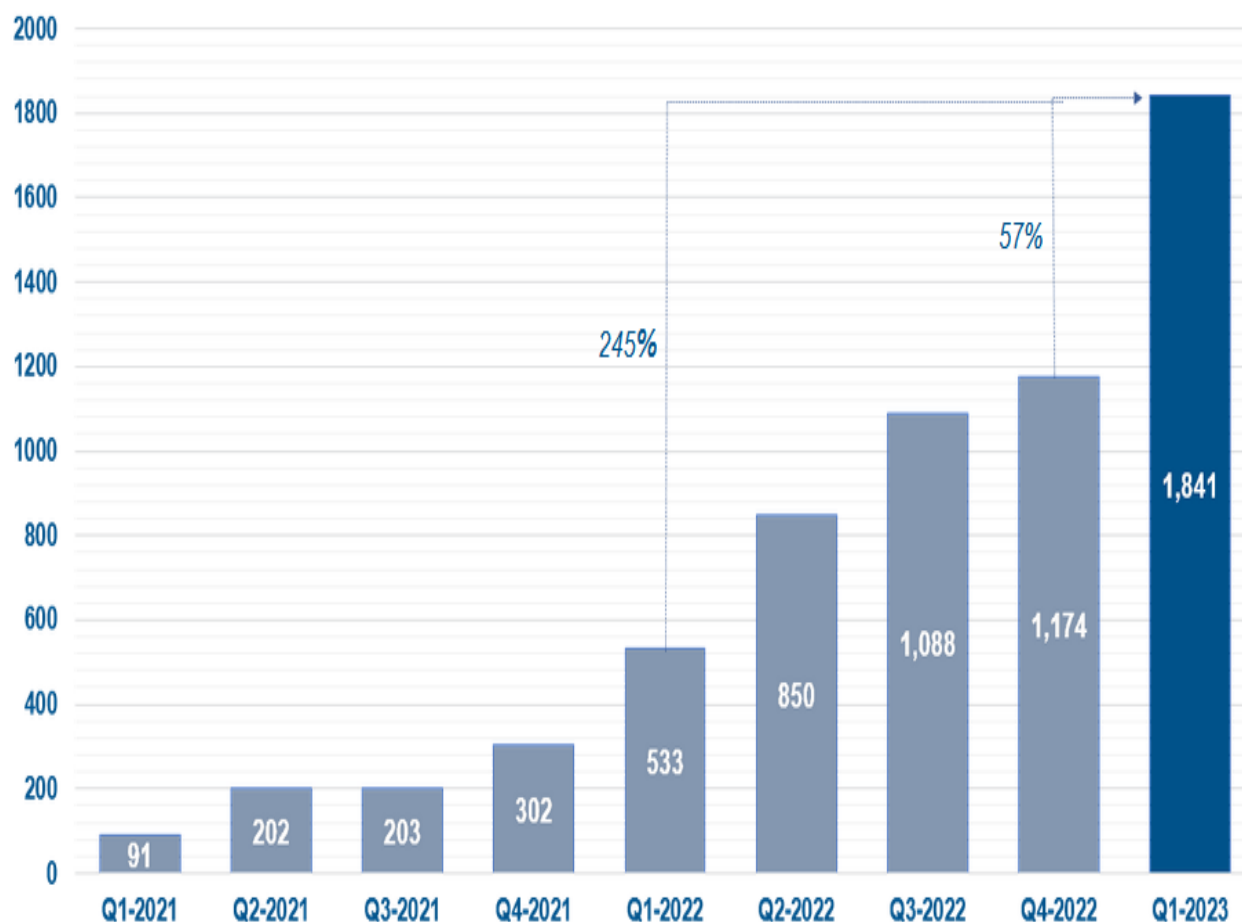
Over  
90%

**EsoGuard Estimated  
Gross Margin at Volume**

Source: Company reports.

Exhibit 11: EsoGuard Testing Volume (as of Q1 2023)

## EsoGuard Testing Volume by Quarter



Source: Company reports.

## Exhibit 12: Veris Health Overview

# PAVmed Launches Veris, Acquires Oncodisc




MedTech

PAVmed digital health spinout Veris Health hits the ground running with remote monitoring acquisition

- Very modest upfront consideration
  - PAVmed paid \$155K
  - PAVmed retained 80.5% Veris equity
- Groundbreaking technology
  - Good IP protection
- Large addressable market opportunity
  - Cancer Care
  - Clear unmet clinical need
  - Large patient population
  - Both physician and patient benefits
- Large expanded market opportunities
  - Renal failure, Heart failure
- Attractive timelines and hurdles
  - Development, Regulatory
- Modest capital and resource investment
- Attractive reimbursement model
  - Established codes
  - Existing CMS bonus/incentives
- Large additional value-creation opportunities
  - Data monetization
  - Pharma research support
- Excellent synergies with PAVmed infrastructure

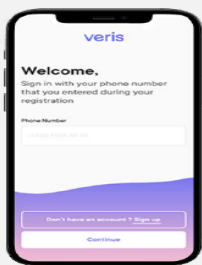
## Solution: Veris Health Platform

**DEVICE**



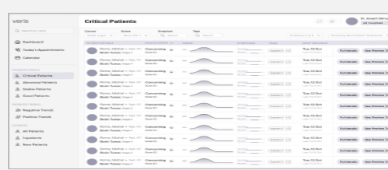
First intelligent implantable vascular access port

**SOFTWARE**



Patient mobile interface

**DATA**



Physician interface



## Commercial-Stage Digital Health Company Focused on Enhanced Personalized Cancer Care

*Cancer patients face high rates of complications  
which drive poor patient outcomes and healthcare costs*

**\$70,000**

Average Cost of Hospitalizations per Patient

**Up to 50%**

Avoidable Hospitalizations

**MISSION: Improve outcomes utilizing modern Remote Physiologic Monitoring ("RPM") tools**

Source: Company reports.

## Exhibit 13: Veris Health Products



# Veris Health

## Commercial-Stage Digital Health Company

*Enhance Personalized Cancer Care*

**Veris Cancer Care Platform**



**Implantable Monitor**



**MISSION: Utilize modern RPM tools to improve care through early detection of complications, longitudinal trends and risk management**

Source: Company reports.

## Exhibit 14: Veris Health Business Model

### Business Model

#### Veris Revenue Opportunity

- Software-as-a-Service, **recurring-revenue model**
- **Established RPM codes**
- Additional revenue opportunities
  - Enhanced technical support*
  - Clinical support (RN coverage)*
  - Implantable device*

#### Customer Value Proposition

- RPM Billing
  - CPT Codes 99453, -54, -57 and -58
  - ~\$200/month per patient revenue opportunity
  - ~\$100/month per patient **net income**
- Facilitates participation in CMS and other **value-based payment models**
- Decreased administrative workload

**Total Addressable Market opportunity of ~\$2 billion**

Source: Company reports.

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**Exhibit 15: Q2 2023 and Recent Business Highlights (as of August 15, 2023)**

Highlights from the first quarter and recent weeks include:

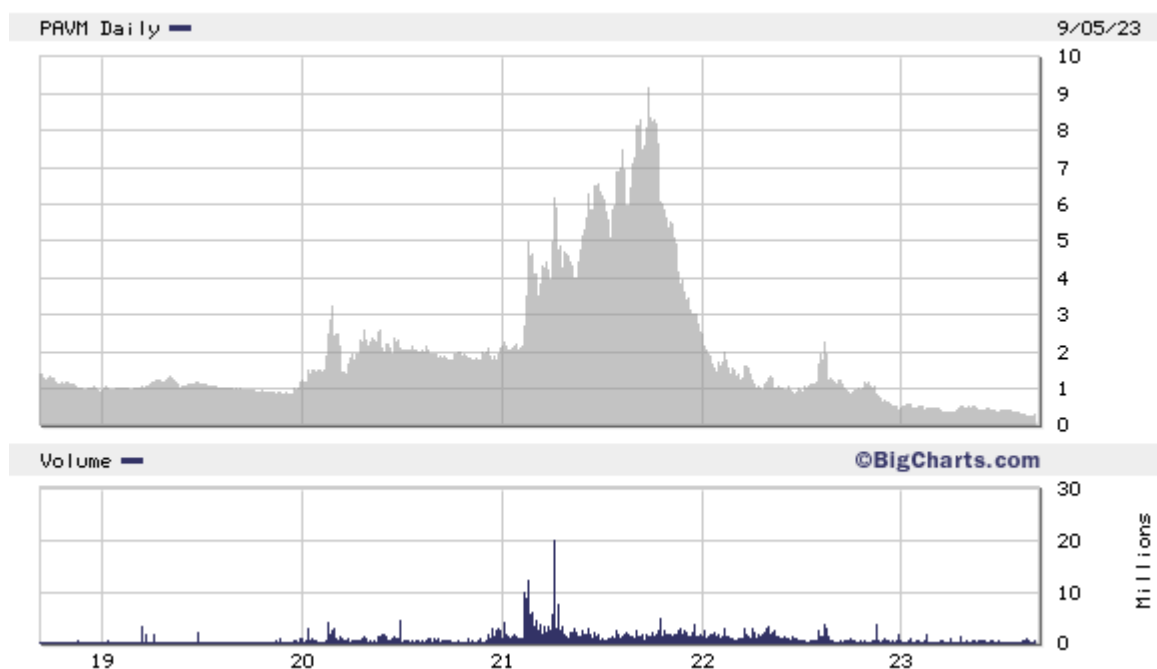
- The Veris Cancer Care Platform is delivering on its promise to enhance personalized cancer care at recently onboarded oncology practices, with a strong focus on delivering world-class customer integration and support, while ensuring that the platform provides streamlined and efficient processes for practice operations and billing.
- Feedback from this early adopter experience has led to the development of the next-generation Veris Cancer Care Platform, which adds key enhancements for remote patient monitoring, practice workflow and provider billing, and is expected to launch in early 4Q23.
- Under the leadership of its new President, Veris is actively restructuring and expanding its commercial team seeking to accelerate patient enrollment and subscription revenue in 2H23 and launching two strategic initiative which expand its long-term commercial potent.
- Veris has committed to build a Biopharma Companion Digital Platform module to extend the Veris Cancer Care Platform as a companion solution for biopharmaceutical companies developing novel cancer therapeutics. The module will provide these companies with a long-term patient monitoring solution tightly linked to their cancer therapeutic –from clinical-stage through full commercialization. This includes support for clinical trials and post-marketing surveillance to enhance safety by reducing adverse events, expedite regulatory filings, lower regulatory hurdles, and accelerate speed to market. The business model seeks to replicate the widespread success of companion diagnostics tightly linked to therapeutics.
- Veris has also committed to upgrading the Veris Cancer Care Platform from an FDA-designated Medical Device Data System ("MDDS"), limited to displaying medical data for clinicians without modification, to a Software-as-a-Medical-Device ("SaMD"). As a SaMD, the platform will have unlimited potential to grow into a full-bore clinical decision support tool that includes threshold alarms for faster provider response, analytical algorithms for effective triage, and digital biomarkers based on artificial intelligence and machine learning that will provide a risk assessment for cancer patients. The first step will be to incorporate the key features in the next generation product and initiate validation testing to support FDA 510(k) submission as a SaMD next year.
- Veris continued to make progress toward regulatory submission of its implantable cardiac and physiologic monitor, designed to be implanted in conjunction with a vascular access port, which is targeted for FDA submission and commercial launch next year. Multiple FDA pre-submission meetings seeking feedback on various design features have gone well.
- Yesterday, Lucid Diagnostics provided a detailed update of its commercial and financial performance. Quarterly EsoGuard testing volume increased 20 percent sequentially and 159 percent annually, with Satellite Lucid Test Center (sLTC) activity increasing substantially. High volume testing events continue to grow, and the company secured its first direct contract with an employer. Lucid's upgraded revenue cycle management infrastructure upgrade was completed in June and resulted in an immediate positive impact on all reimbursement metrics.
- The clinical evidence for EsoGuard's clinical utility and clinical validity continues to expand. Lucid expects to release and submit for publication critical clinical utility data, encompassing over 500 patients from two studies, later this month. On the clinical validity front, an NCI-funded consortium released unprecedented results from a case control study, with EsoGuard detecting 100 percent of cancers and over 80% of precancers.

Source: Company reports.

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### Exhibit 16: PAVmed Inc. Stock Price (5-years)



Source: <https://bigcharts.marketwatch.com/>

### Exhibit 17: Consensus Expectations (as of August 15, 2023)

	Revenue (mil)			EPS	
	<u>2023E</u>	<u>2024E</u>		<u>2023E</u>	<u>2024E</u>
Q1 Mar	\$0.04A		Q1 Mar	\$(0.10)A	
Q2 Jun	\$0.5E		Q2 Jun	\$(0.19)E	
Q3 Sep	\$1.0E		Q3 Sep	\$(0.18)E	
Q4 Dec			Q4 Dec		
Total	\$3.9E	\$11.5E	Total	\$(0.84)E	\$(0.66)E

\*Quarterly estimates may not add to annual estimates due to variations in contributing estimates and rounding.

Source: Company report, Refinitiv, and Ascendant Capital Markets estimates

## FINANCIAL MODEL

### PAVmed Inc.

Income Statement (\$ mils)	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
<b>Total Revenue</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>0.3</b>	<b>0.5</b>	<b>0.2</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.4</b>	<b>0.4</b>	<b>0.2</b>	<b>0.3</b>	<b>0.5</b>	<b>1.4</b>	<b>1.0</b>	<b>1.5</b>	<b>2.0</b>	<b>3.5</b>	<b>8.0</b>
Cost of Revenues	0.0	0.0	0.1	0.4	0.6	0.4	0.0	1.6	1.6	3.6	1.3	1.7	0.9	0.8	4.7	0.3	0.5	0.6	1.1	2.4
Gross Profit	0.0	0.0	0.1	(0.1)	(0.1)	(0.2)	0.0	(1.6)	(1.5)	(3.2)	(0.9)	(1.5)	(0.6)	(0.3)	(3.3)	0.7	1.1	1.4	2.5	5.6
Sales and marketing	1.4	2.0	2.4	3.1	8.9	3.9	4.9	4.7	5.8	19.3	4.5	4.3	4.0	4.0	16.9	4.5	4.5	4.5	4.5	18.0
General and administrative	3.4	6.7	6.0	9.5	25.6	9.4	11.8	10.3	9.5	41.0	10.0	6.7	7.0	7.0	30.7	7.0	7.0	7.5	7.5	29.0
Research and development	3.3	4.3	5.3	7.0	19.8	5.9	6.7	6.2	6.7	25.5	4.4	3.5	4.0	4.0	15.9	4.0	4.0	4.0	4.0	16.0
Restructuring and other					0.0			0.5	1.3	1.8	0.5	0.5			1.0					0.0
Total operating expenses	8.1	13.0	13.7	19.5	54.3	19.3	23.5	21.8	23.2	87.7	19.5	15.0	15.0	15.0	64.5	15.5	15.5	16.0	16.0	63.0
<b>Operating income (loss)</b>	<b>(8.1)</b>	<b>(13.0)</b>	<b>(13.7)</b>	<b>(19.7)</b>	<b>(54.4)</b>	<b>(19.5)</b>	<b>(23.5)</b>	<b>(23.3)</b>	<b>(24.7)</b>	<b>(90.9)</b>	<b>(20.4)</b>	<b>(16.5)</b>	<b>(15.6)</b>	<b>(15.3)</b>	<b>(67.7)</b>	<b>(14.8)</b>	<b>(14.5)</b>	<b>(14.6)</b>	<b>(13.6)</b>	<b>(57.4)</b>
Interest income (expense)					0.0	(0.1)	(0.5)	(0.5)	(0.2)	(1.3)	(0.1)	(0.1)	(0.9)	(0.9)	(1.9)	(0.9)	(0.9)	(0.9)	(0.9)	(3.4)
Other income (expense)	(1.4)	1.4	1.4	2.4	3.8	2.6	(1.6)	(2.4)	4.3	2.9	2.5	2.0	0.0	0.0	4.5	0.3	0.2	0.2	0.2	0.9
Income before income taxes	(9.5)	(11.5)	(12.3)	(17.3)	(50.6)	(16.9)	(25.6)	(26.2)	(20.5)	(89.3)	(18.0)	(14.6)	(16.5)	(16.1)	(65.2)	(15.4)	(15.1)	(15.3)	(14.2)	(59.9)
Income taxes					0.0					0.0					0.0	0.0	0.0	0.0	0.0	0.0
Net income (loss)	(9.5)	(11.5)	(12.3)	(17.3)	(50.6)	(16.9)	(25.6)	(26.2)	(20.5)	(89.3)	(18.0)	(14.6)	(16.5)	(16.1)	(65.2)	(15.4)	(15.1)	(15.3)	(14.2)	(59.9)
Nonrecurring/noncash adjustments	3.6	5.1	4.0	4.4	17.1	5.2	11.0	12.4	6.7	35.3	8.7	4.7	0.8	0.8	14.9	0.8	0.8	0.8	0.8	3.0
<b>Net income (pro forma)</b>	<b>(6.0)</b>	<b>(6.4)</b>	<b>(8.3)</b>	<b>(12.9)</b>	<b>(33.6)</b>	<b>(11.7)</b>	<b>(14.6)</b>	<b>(13.8)</b>	<b>(13.8)</b>	<b>(53.9)</b>	<b>(9.3)</b>	<b>(9.9)</b>	<b>(15.7)</b>	<b>(15.4)</b>	<b>(50.3)</b>	<b>(14.6)</b>	<b>(14.4)</b>	<b>(14.5)</b>	<b>(13.5)</b>	<b>(56.9)</b>
EBITDA	(9.4)	(11.5)	(12.2)	(17.1)	(50.1)	(16.7)	(24.7)	(24.9)	(18.8)	(85.1)	(17.1)	(13.7)	(12.3)	(12.0)	(55.2)	(11.5)	(11.2)	(11.3)	(10.3)	(44.4)
Shares, Basic	74.0	82.2	83.3	86.4	77.5	86.3	87.0	89.8	89.8	89.1	97.1	104.3	111.4	111.9	106.2	112.4	112.9	113.4	114.4	113.3
Shares, Diluted	74.0	82.2	83.3	86.4	77.5	86.3	87.0	89.8	89.8	89.1	97.1	104.3	111.4	111.9	106.2	112.4	112.9	113.4	114.4	113.3
EPS Basic (pro forma)	(\$0.08)	(\$0.08)	(\$0.10)	(\$0.15)	(\$0.43)	(\$0.14)	(\$0.17)	(\$0.15)	(\$0.15)	(\$0.61)	(\$0.10)	(\$0.09)	(\$0.14)	(\$0.14)	(\$0.47)	(\$0.13)	(\$0.13)	(\$0.13)	(\$0.12)	(\$0.50)
EPS Diluted (pro forma)	(\$0.08)	(\$0.08)	(\$0.10)	(\$0.15)	(\$0.43)	(\$0.14)	(\$0.17)	(\$0.15)	(\$0.15)	(\$0.61)	(\$0.10)	(\$0.09)	(\$0.14)	(\$0.14)	(\$0.47)	(\$0.13)	(\$0.13)	(\$0.13)	(\$0.12)	(\$0.50)
<b>Margins</b>																				
Gross margin			28%	-47%	-17%	-95%	#DIV/0!	-2039%	-1346%	-859%	-202%	-915%	-200%	-50%	-232%	70%	70%	70%	70%	70%
Sales and marketing			1034%	1779%	2077%	#DIV/0!	6232%	5142%	5124%	1018%	2614%	1333%	800%	1195%	450%	300%	225%	129%	225%	225%
General and administrative			3155%	5113%	4986%	#DIV/0!	13579%	8446%	10886%	2246%	4007%	2333%	1400%	2172%	700%	467%	375%	214%	363%	363%
Research and development			2323%	3969%	3139%	#DIV/0!	8161%	5958%	6776%	995%	2090%	1333%	800%	1127%	400%	267%	200%	114%	200%	200%
Operating margin	NM	NM	-6834%	-6559%	-10879%	-10296%	NM	-30675%	-22033%	-24119%	-4574%	-9930%	-5200%	-3050%	-4797%	-1480%	-963%	-730%	-387%	-718%
Tax rate, GAAP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net margin	NM	NM	-6147%	-5762%	-10126%	-8963%	NM	-34470%	-18332%	-23677%	-4037%	-8802%	-5487%	-3222%	-4617%	-1536%	-1007%	-763%	-406%	-749%
<b>Y/Y % change</b>																				
Total Revenue																				
Gross margin																				
Sales and marketing						183%	148%	95%	86%	117%	16%	-11%	-16%	-31%	-13%	-1%	4%	13%	13%	7%
General and administrative	51%	134%	106%	138%	113%	179%	76%	72%	0%	61%	6%	-44%	-32%	-26%	-25%	-30%	5%	7%	7%	-5%
Research and development	26%	100%	103%	95%	81%	79%	58%	17%	-4%	29%	-25%	-49%	-36%	-40%	-38%	-10%	15%	0%	0%	1%
Operating income (loss)	54%	159%	147%	160%	133%	141%	81%	71%	25%	67%	5%	-30%	-33%	-38%	-26%	-27%	-12%	-6%	-11%	-15%
Net income (loss)	-35%	104%	121%	96%	46%	78%	122%	113%	19%	76%	6%	-43%	-37%	-22%	-27%	-15%	3%	-7%	-12%	-8%
EPS Diluted (pro forma)	-22%	-17%	6%	23%	0%	69%	115%	55%	3%	40%	-29%	-44%	-8%	-11%	-22%	35%	34%	-9%	-14%	6%

Source: Company reports and Ascendant Capital Markets estimates.

**PAVmed Inc.**

Balance Sheet (\$ mils)	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Assets</b>																
Cash and cash equivalents	48.5	43.2	37.3	77.3	64.7	65.2	56.8	39.7	49.3	37.2	23.9	11.1	(1.1)	(13.0)	(25.0)	(36.1)
Short term investments											0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable			0.2	0.2	0.1		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inventory			0.1								0.0	0.0	0.0	0.0	0.0	0.0
Deferred income taxes											0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other	2.0	3.1	4.1	5.2	6.2	5.7	5.2	4.2	4.5	5.9	5.9	5.9	5.9	5.9	5.9	5.9
<b>Total current assets</b>	<b>50.5</b>	<b>46.3</b>	<b>41.7</b>	<b>82.6</b>	<b>71.0</b>	<b>70.8</b>	<b>62.0</b>	<b>43.9</b>	<b>53.8</b>	<b>43.1</b>	<b>29.9</b>	<b>17.0</b>	<b>4.9</b>	<b>(7.0)</b>	<b>(19.1)</b>	<b>(30.1)</b>
Property and equipment, net			0.5	1.6	2.1	2.3	2.4	2.5	2.3	2.0	1.3	0.6	(0.2)	(0.8)	(1.6)	(2.2)
Intangibles, net			0.0	2.0	7.6	4.5	4.0	3.4	2.9	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Deferred income tax											0.0	0.0	0.0	0.0	0.0	0.0
Other	0.9	1.0	0.8	0.7	3.6	4.9	4.2	4.2	6.3	6.1	6.1	6.1	6.1	6.1	6.1	6.1
<b>Total assets</b>	<b>51.4</b>	<b>47.4</b>	<b>43.0</b>	<b>87.0</b>	<b>84.3</b>	<b>82.5</b>	<b>72.5</b>	<b>54.0</b>	<b>65.3</b>	<b>53.7</b>	<b>39.7</b>	<b>26.1</b>	<b>13.3</b>	<b>0.7</b>	<b>(12.1)</b>	<b>(23.8)</b>
<b>Liabilities and stockholders' equity</b>																
Accounts payable	1.9	3.8	6.1	3.3	8.2	4.5	2.5	2.7	1.3	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Accrued expenses	1.1	1.6	1.7	4.3	3.5	2.9	2.9	3.7	3.7	4.9	4.9	4.9	4.9	4.9	4.9	4.9
Deferred income tax											0.0	0.0	0.0	0.0	0.0	0.0
Other	0.3				5.8	1.9	1.0	1.1	1.3	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Short term debt						29.5	35.5	33.7	44.3	43.0	43.0	43.0	43.0	43.0	43.0	43.0
<b>Total current liabilities</b>	<b>3.3</b>	<b>5.3</b>	<b>7.8</b>	<b>7.6</b>	<b>17.5</b>	<b>38.9</b>	<b>41.9</b>	<b>41.2</b>	<b>50.5</b>	<b>50.8</b>	<b>50.8</b>	<b>50.8</b>	<b>50.8</b>	<b>50.8</b>	<b>50.8</b>	<b>50.8</b>
Deferred income taxes											0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities											0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities					2.1	2.2	2.0	1.8	3.9	3.7	3.7	3.7	3.7	3.7	3.7	3.7
Long term debt											0.0	0.0	0.0	0.0	0.0	0.0
<b>Total other liabilities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.1</b>	<b>2.2</b>	<b>2.0</b>	<b>1.8</b>	<b>3.9</b>	<b>3.7</b>	<b>3.7</b>	<b>3.7</b>	<b>3.7</b>	<b>3.7</b>	<b>3.7</b>	<b>3.7</b>
Preferred stock	2.6	2.5	2.4	2.4	2.5	2.6	2.6	2.7	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Common stock	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	2.6	5.1	7.6	10.1	12.6	15.2
Additional paid-in capital	145.4	149.7	154.1	198.1	199.7	201.3	214.3	216.1	221.2	226.3	226.3	226.3	226.3	226.3	226.3	226.3
Retained earnings	(97.8)	(109.3)	(121.6)	(138.9)	(155.8)	(181.4)	(207.6)	(228.2)	(246.2)	(260.8)	(277.2)	(293.4)	(308.7)	(323.8)	(339.1)	(353.3)
Treasury stock					(0.5)	(0.5)	(0.4)	(0.4)			0.0	0.0	0.0	0.0	0.0	0.0
Accumulated other comprehensive income											0.0	0.0	0.0	0.0	0.0	0.0
Minority Interest	(2.2)	(0.9)	0.4	17.8	18.8	19.4	19.6	20.6	32.9	30.7	30.7	30.7	30.7	30.7	30.7	30.7
<b>Total stockholders' equity</b>	<b>48.0</b>	<b>42.0</b>	<b>35.2</b>	<b>79.4</b>	<b>64.7</b>	<b>41.4</b>	<b>28.6</b>	<b>10.9</b>	<b>10.8</b>	<b>(0.8)</b>	<b>(14.8)</b>	<b>(28.4)</b>	<b>(41.2)</b>	<b>(53.8)</b>	<b>(66.6)</b>	<b>(78.3)</b>
<b>Total stockholders' equity and liabilities</b>	<b>51.4</b>	<b>47.4</b>	<b>43.0</b>	<b>87.0</b>	<b>84.3</b>	<b>82.5</b>	<b>72.5</b>	<b>54.0</b>	<b>65.3</b>	<b>53.7</b>	<b>39.7</b>	<b>26.1</b>	<b>13.3</b>	<b>0.7</b>	<b>(12.1)</b>	<b>(23.8)</b>

**Balance Sheet Drivers**

	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Book &amp; Cash Value (per share)</b>																
Book Value per Share (diluted)	0.65	0.51	0.42	0.92	0.75	0.48	0.32	0.12	0.11	(0.01)	(0.13)	(0.25)	(0.37)	(0.48)	(0.59)	(0.68)
Cash per Share (diluted)	0.66	0.53	0.45	0.89	0.75	0.75	0.63	0.44	0.51	0.36	0.21	0.10	(0.01)	(0.12)	(0.22)	(0.32)
Net cash per Share (diluted)	0.66	0.53	0.45	0.89	0.75	0.41	0.24	0.07	0.05	(0.06)	(0.17)	(0.29)	(0.39)	(0.50)	(0.60)	(0.69)

Source: Company reports and Ascendant Capital Markets estimates

**PAVmed Inc.**

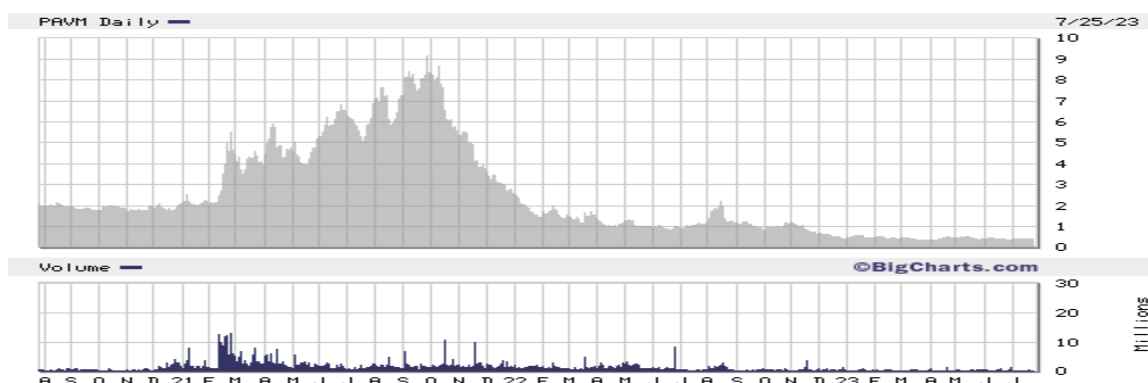
Cash Flow Statement (\$ mils)	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
<b>Cash flow from operating activities</b>																				
Net income	(10.1)	(12.7)	(13.7)	(19.7)	(56.1)	(19.6)	(29.1)	(29.9)	(24.6)	(103.2)	(22.2)	(17.9)	(16.5)	(16.1)	(72.7)	(15.4)	(15.1)	(15.3)	(14.2)	(59.9)
Depreciation	0.0	0.0	0.0	0.0	0.1	0.1	0.9	0.7	0.7	2.5	0.7	0.7	0.7	0.7	3.0	0.7	0.7	0.7	0.7	3.0
Amortization		0.0	(0.0)	0.1	0.1	0.1	(0.1)	0.0		0.0					0.0					0.0
Debt related amortization expense					0.0					0.0		2.5			2.5					0.0
Stock comp	1.4	5.2	4.0	4.4	15.0	4.8	5.2	5.0	5.2	20.2	4.4	2.5	2.5	2.5	11.9	2.5	2.5	2.5	2.5	10.0
Deferred income taxes					0.0					0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in fair value of warrant l	(1.7)				(1.7)		2.0	(0.3)	(0.5)	1.3	1.0	(0.8)			0.3					0.0
Writedowns and impairments	3.7				3.7		2.5	6.1	0.3	9.0	1.7	(0.4)			1.3					0.0
Other gains/losses		(0.2)		0.0	(0.2)					0.0	(1.0)	0.7			(0.3)					0.0
Other					0.0	0.2	(0.1)	0.0	0.0	0.1	0.8	0.0			0.8					0.0
Changes in operating assets and liabilities:																				
Accounts receivable			(0.2)		(0.2)	0.1	0.1	(0.0)	0.0	0.2	(0.0)	(0.0)			(0.0)	0.0	0.0	0.0	0.0	0.0
Prepaid expenses & other curre	(0.3)	(1.2)	(0.5)	(1.5)	(3.5)	(0.1)	(1.5)	1.1	1.0	0.4	(0.3)	(1.3)	0.0	0.0	(1.6)	0.0	0.0	0.0	0.0	0.0
Other assets					0.0					0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	(1.1)	1.7	2.3	(2.7)	0.2	3.9	(2.9)	(2.0)	0.2	(0.7)	(1.4)	(0.1)	0.0	0.0	(1.5)	0.0	0.0	0.0	0.0	0.0
Accrued expenses	(1.2)	0.4	0.0	2.6	1.9	(1.8)	0.4	(0.0)	0.8	(0.6)		1.2	0.0	0.0	1.2	0.0	0.0	0.0	0.0	0.0
Other liabilities					0.0					0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net cash (used in) provided by</b>	<b>(9.2)</b>	<b>(6.6)</b>	<b>(8.0)</b>	<b>(16.8)</b>	<b>(40.6)</b>	<b>(12.3)</b>	<b>(22.6)</b>	<b>(19.3)</b>	<b>(16.8)</b>	<b>(71.0)</b>	<b>(16.3)</b>	<b>(12.8)</b>	<b>(13.2)</b>	<b>(12.9)</b>	<b>(55.1)</b>	<b>(12.1)</b>	<b>(11.9)</b>	<b>(12.0)</b>	<b>(11.0)</b>	<b>(46.9)</b>
<b>Cash flow from investing activities</b>																				
Purchases of property and equi	(0.0)	(0.1)	(0.0)	(1.3)	(1.5)	(0.6)	(0.4)	(0.3)	(0.3)	(1.5)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.1)	(0.0)	(0.1)	(0.2)
Purchases of short-term investments					0.0					0.0					0.0					0.0
Acquisitions		(0.0)	(0.1)	(2.1)	(2.2)		(2.2)	(1.0)		(3.2)	1.0				1.0					0.0
Other					0.0					0.0					0.0					0.0
<b>Net cash used in investing activ</b>	<b>(0.0)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(3.4)</b>	<b>(3.7)</b>	<b>(0.6)</b>	<b>(2.6)</b>	<b>(1.3)</b>	<b>(0.3)</b>	<b>(4.7)</b>	<b>1.0</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>0.9</b>	<b>(0.0)</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>(0.1)</b>	<b>(0.2)</b>
<b>Cash flow from financing activities</b>																				
Issuance of debt					0.0		25.0	10.2		35.2	9.9	0.1	0.0	0.0	10.0	0.0	0.0	0.0	0.0	0.0
Repayment of debt	(15.0)			0.0	(15.0)					0.0					0.0					0.0
Issuance of stock	53.7			56.3	110.0			1.8	0.1	1.9	14.5	0.6	0.0	0.0	15.1	0.0	0.0	0.0	0.0	0.0
Proceeds from stock option exe	1.8	1.5	2.3	3.7	9.2	0.3	0.9	0.3	0.0	1.5	0.5	0.0			0.5					0.0
Other				0.0	0.0		(0.4)			(0.4)					0.0					0.0
Dividends and distributions					0.0					0.0					0.0					0.0
<b>Cash provided by (used in) fina</b>	<b>40.5</b>	<b>1.5</b>	<b>2.3</b>	<b>60.1</b>	<b>104.3</b>	<b>0.3</b>	<b>25.5</b>	<b>12.3</b>	<b>0.1</b>	<b>38.2</b>	<b>24.8</b>	<b>0.7</b>	<b>0.0</b>	<b>0.0</b>	<b>25.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Effect of exchange rate on cash					0.0					0.0					0.0					0.0
<b>Net increase (decrease) in cash</b>	<b>31.3</b>	<b>(5.3)</b>	<b>(5.9)</b>	<b>39.9</b>	<b>60.0</b>	<b>(12.5)</b>	<b>0.4</b>	<b>(8.4)</b>	<b>(17.0)</b>	<b>(37.5)</b>	<b>9.5</b>	<b>(12.1)</b>	<b>(13.2)</b>	<b>(12.9)</b>	<b>(28.7)</b>	<b>(12.1)</b>	<b>(11.9)</b>	<b>(12.0)</b>	<b>(11.0)</b>	<b>(47.1)</b>
<b>Beginning cash and equivalents</b>	<b>17.3</b>	<b>48.5</b>	<b>43.2</b>	<b>37.3</b>	<b>17.3</b>	<b>77.3</b>	<b>64.7</b>	<b>65.2</b>	<b>56.8</b>	<b>77.3</b>	<b>39.7</b>	<b>49.3</b>	<b>37.2</b>	<b>23.9</b>	<b>39.7</b>	<b>11.1</b>	<b>(1.1)</b>	<b>(13.0)</b>	<b>(25.0)</b>	<b>11.1</b>
<b>Ending cash and equivalents</b>	<b>48.5</b>	<b>43.2</b>	<b>37.3</b>	<b>77.3</b>	<b>77.3</b>	<b>64.7</b>	<b>65.2</b>	<b>56.8</b>	<b>39.7</b>	<b>39.7</b>	<b>49.3</b>	<b>37.2</b>	<b>23.9</b>	<b>11.1</b>	<b>11.1</b>	<b>(1.1)</b>	<b>(13.0)</b>	<b>(25.0)</b>	<b>(36.1)</b>	<b>(36.1)</b>

Source: Company reports and Ascendant Capital Markets estimates

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## PAVmed Inc.



Source: <https://bigcharts.marketwatch.com/>

Report Date		Price	
Report	Date	Rating	Target
1	11/5/2020	Buy	5.00
2	11/21/2020	Buy	5.25
3	3/18/2021	Buy	9.00
4	6/4/2021	Buy	9.50
5	8/23/2021	Buy	10.00
6	12/1/2021	Buy	10.50
7	4/16/2022	Buy	9.50
8	6/6/2022	Buy	9.00
9	9/14/2022	Buy	8.75
10	11/22/2022	Buy	8.25
11	4/9/2023	Buy	7.75
12	5/26/2023	Buy	7.50

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**BUY:** We expect the stock to provide a total return of 15% or more within a 12-month period.

**HOLD:** We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

**SELL:** We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

### Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of July 14, 2023)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
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Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	52	100%	16	31%

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