

# PAVmed Inc.

*Q4 inline and Lucid IPO completed. Large opportunities for its product portfolio should drive stock much higher. Lowering P/T to \$9.50.*

## COMPANY UPDATE

**Rating: BUY**

Ticker: PAVM

Price: \$1.06

Target: \$9.50  
(from \$10.50)

**Q4 inline:** PAVmed recently (on March 29) reported its Q4 2021 (ending December) results. Revenue was \$0.3 million, compared with our and consensus estimates of \$0.5 - 0.8 million (this was the 2<sup>nd</sup> quarter of revenues for PAVmed). Pro forma net loss was \$12.9 million or EPS of \$(0.15), compared with our and consensus estimate of \$(0.15). There was no Q4 guidance.

**EsoGuard growth:** PAVmed's Lucid processed 303 EsoGuard tests in Q4, versus 203 in Q3 and 202 in Q2. This is the second quarter Lucid has finally started to recognize revenues (which represents all of PAVmed's revenues).

**Operating expenses:** Operating expenses were \$20 million, up from \$14 million in Q3 2021 as it ramps up Lucid commercial operations.

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

**Adjusting estimates:** We are adjusting our 2022 estimates for revenues to \$6.0 million, from \$7.0 million, and for EPS to \$(0.80) from \$(0.56).

**Lucid IPO completed:** In October (Q4), PAVmed completed its IPO of majority-owned subsidiary Lucid Diagnostics into a separate public company (ticker LUCD). Lucid sold 5.0 million shares of its common stock at \$14/share, raising ~\$70 million. PAVmed still owns 76% of Lucid (was 73% pre-IPO), and Lucid's financials will continue to be consolidated into PAVmed's financials.

**Lucid as catalyst:** We believe Lucid's IPO will be a major catalyst for PAVmed's stock as the IPO will fuel high growth investments in its business. Lucid is launching a major commercial initiative to accelerate EsoGuard commercialization by targeting multiple sales and marketing channels and building Lucid's own network of EsoCheck Test Centers to assure sufficient testing capacity and geographic coverage. The Test Center program has quickly expanded to locations in Phoenix, Denver, Salt Lake City, Las Vegas, Seattle, Portland, and Boise. Lucid is now launching an accelerated expansion into larger states across the U.S.

**Focused on 3 devices commercially available:** EsoCheck has received 510(k) marketing clearance from the FDA as an esophageal cell collection device in June 2019. EsoGuard completed the certification required making it commercially available as a Laboratory Developed Test (LDT) in December 2019. CarpX, a precision cutting tool to treat carpal tunnel syndrome, received 510(k) marketing clearance from the FDA in April 2020.

**Large market potential:** Cancer is the 2nd leading cause of death in the U.S. (behind heart disease) with ~600,000 deaths a year. Carpal Tunnel Syndrome (CTS) is the most common cumulative trauma disorder and accounts for over half of all occupational injuries. Digital health and medtech are high growth areas.

**Launched Veris Health:** In June, PAVmed launched a new subsidiary, Veris Health, which acquired Oncodisc Inc., a digital health company with tools to improve personalized cancer care through remote patient monitoring. Commercialization is expected to begin in late 2022.

**Solid balance sheet:** With Lucid's IPO in Q4, PAVmed's balance sheet is strong with \$77 million in cash at Q4. Just recently in April, PAVmed is raising up to \$50 million in convertible debt (at 7.875%), with \$27.5 million in the initial tranche.

**Positive high risks versus high 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 \$9.50 from \$10.50 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 a broad pipeline of innovative medical technologies.

United States  
Healthcare

April 16, 2022

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### Stock Data

Exchange:	NasdaqGS
52-week Range:	\$0.99 – 9.70
Shares Outstanding (million):	88
Market cap (\$million):	\$93
EV (\$million):	\$16
Debt (\$million):	\$0
Cash (\$million):	\$77
Avg. Daily Trading Vol. (\$million):	\$2
Float (million shares):	79
Short Interest (million shares):	6
Dividend, annual (yield):	\$0 (NA%)

### Revenues (US\$ million)

	<u>2022E</u> (Cur.)	<u>2022E</u> (Old)	<u>2023E</u> (Cur.)	<u>2023E</u> (Old)
Q1 Mar	0.4E	1.0E	4.0E	
Q2 Jun	0.6E	1.5E	4.2E	
Q3 Sep	1.2E	1.5E	4.4E	
Q4 Dec	<u>3.8E</u>	<u>3.0E</u>	<u>5.4E</u>	
<b>Total</b>	<b>6.0E</b>	<b>7.0E</b>	<b>18.0E</b>	
EV/Revs	2.7		0.9x	

### Earnings per Share (pro forma)

	<u>2022E</u> (Cur.)	<u>2022E</u> (Old)	<u>2023E</u> (Cur.)	<u>2023E</u> (Old)
Q1 Mar	(0.20)E	(0.15)E	(0.20)E	
Q2 Jun	(0.20)E	(0.14)E	(0.20)E	
Q3 Sep	(0.21)E	(0.14)E	(0.20)E	
Q4 Dec	<u>(0.19)E</u>	<u>(0.13)E</u>	<u>(0.19)E</u>	
<b>Total</b>	<b>(0.80)E</b>	<b>(0.56)E</b>	<b>(0.78)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 17.**

**Exhibit 1: PAVmed Company Overview**



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



*Founded 2014*



*Nasdaq IPO 2016*



*Diversified  
Product Portfolio*



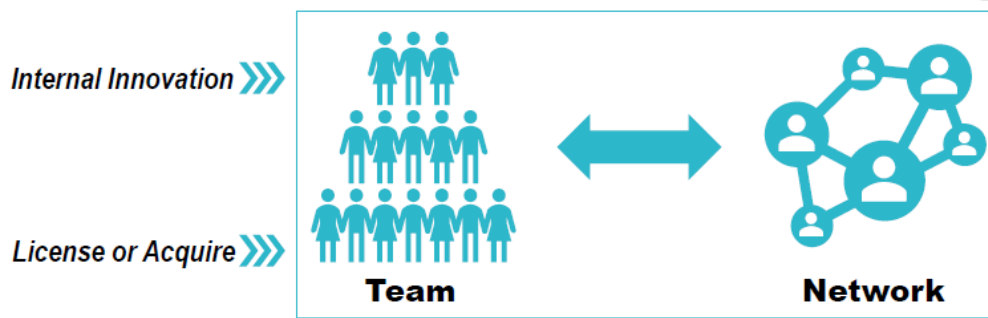
*Groundbreaking  
Technologies  
Addressing Important  
Unmet Clinical Needs*



*Business Model  
Focused on  
Speed to Market*



**Innovation & Value Creation Engine**



*Products* ≡



Source: Company reports

Exhibit 2: PAVmed's Major Subsidiaries



Major Subsidiaries

<u>Diagnostics</u>	<u>Digital Health</u>
<p><b>Lucid</b> diagnostics Early Detection of Esophageal Precancer &amp; Cancer</p> <ul style="list-style-type: none"> <li>Commercial-stage</li> <li>Founded May 2018</li> <li>Licensed technologies from Case Western Reserve University</li> <li>Managed and financed by PAVmed</li> <li>PAVmed Stake = 75.5%</li> <li>IPO Oct 14, 2021 (Nasdaq: LUCD)</li> </ul>	<p><b>VERIS</b> HEALTH Digital Cancer Care Platform &amp; Intelligent Vascular Port</p> <ul style="list-style-type: none"> <li>Founded May 2021 with acquisition of Oncodisc, Inc. and its digital health technologies</li> <li>Managed and financed by PAVmed</li> <li>PAVmed stake = 80%</li> <li>Accepted into Microsoft for Startups</li> <li>PAVmed Stake = 80%</li> <li>Target commercialization H2-2022</li> </ul>

Source: Company reports.

Exhibit 3: PAVmed Products



Diversified Product Portfolio

**EsoGuard**  
esophageal DNA test

**EsoCheck**  
cell collection device  
Early Detection Of Esophageal Precancer & Cancer

**CarpX™**  
Minimally Invasive Carpal Tunnel Release Device

**nextflo™**  
with FloSure™  
Revolutionary IV Infusion Sets

**Portio™**  
Maintenance-free implantable vascular access device

Emerging Innovations

<b>EsoCure</b>	Endoscopic esophageal ablation
<b>DisappEAR</b>	Resorbable pediatric ear tubes
<b>Solys</b>	Noninvasive glucose monitoring
<b>FlexMO</b>	Versatile ECMO cannula
<b>NextVent</b>	Low-cost, single-use ventilator

Digital Cancer Care Platform & Intelligent Vascular Port

Source: Company reports

**Exhibit 4: PAVmed’s Commercially Available Products**

**Commercially Available Products**

 <p><b>EsoGuard</b> esophageal DNA test</p>  <ul style="list-style-type: none"> <li>Commercially launched as LDT Q4-2019</li> <li>CMS preliminary payment determination of ~\$2000</li> <li>15M target population per published society guidelines</li> </ul>	 <p><b>EsoCheck</b> cell collection device</p>  <ul style="list-style-type: none"> <li>FDA 510(k) cleared in Q2-2019 as anatomically targeted non-invasive esophageal cell collection device</li> <li>Alternative to invasive endoscopy</li> </ul>	 <p><b>CarpX™</b> Minimally Invasive Device to Treat Carpal Tunnel Syndrome</p>  <ul style="list-style-type: none"> <li>FDA 510(k) cleared in Q2-2020 as a minimally invasive device alternative to open carpal tunnel release surgery</li> <li>Estimate \$1 billion market opportunity based on over 600,000 U.S. procedures annually and up to 1.5 million with symptoms who “suffer in silence”</li> </ul>
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Source: Company reports.

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

**Lucid**  
diagnostics

**Nasdaq: LUCD**

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

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>Founded May 2018 to license technologies underlying EsoGuard &amp; EsoCheck from Case Western Reserve University</li> <li>~\$25B total addressable market opportunity</li> <li>PAVmed paid ~\$50K cash, retained 82% equity</li> <li>Managed and financed by PAVmed</li> <li>~\$30M invested over ~3.5 years</li> </ul> | <ul style="list-style-type: none"> <li>Advanced EsoGuard &amp; EsoCheck to commercialization</li> <li>Secured \$1,938 Medicare payment</li> <li>Nasdaq IPO October 14, 2021</li> <li>Raised \$70M in growth capital at \$467M IPO valuation</li> <li>PAVmed Stake pre-IPO 72.7%, post-IPO 75.5%</li> </ul> |
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 <p><b>EsoGuard</b> esophageal DNA test</p>  	 <p><b>EsoCheck</b> cell collection device</p>  
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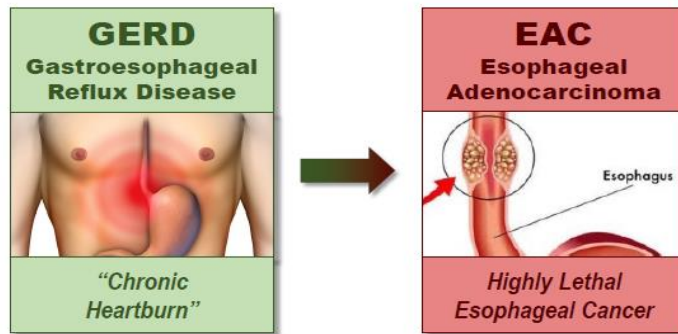


Source: Company reports.

Exhibit 6: Lucid Diagnostics



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



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



First and only commercially available test capable of serving as a widespread screening tool to prevent EAC deaths through early detection of esophageal precancer in at-risk GERD patients



**EsoGuard**  
esophageal DNA test  
CE Mark CAP ACCREDITED



**EsoCheck**  
cell collection device  
FDA 510K Cleared CE Mark

**Highlights**

**EsoGuard** commercialized as Laboratory Developed Test (LDT)

First Lucid Test Centers launched and testing patients referred by PCPs

**\$1938** Effective CMS Payment as of Jan 1<sup>st</sup>

**EsoGuard & EsoCheck** Granted FDA Breakthrough Device Designation

13 Million U.S. at-risk GERD patients already recommended for screening

Near-Term Value Inflection Milestones

Multi-Billion U.S. Total Addressable Market Opportunity

Source: Company reports.

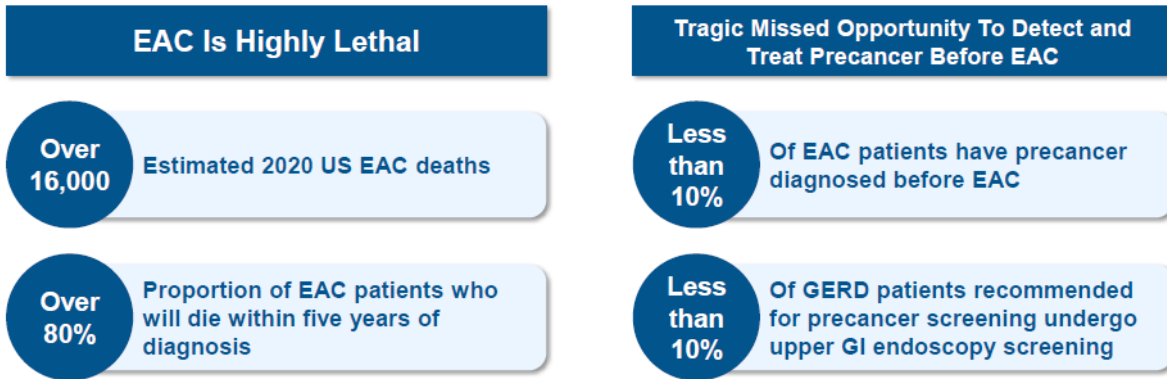
Exhibit 7: EsoCheck and EsoGuard Market Opportunity

## EAC Precancer Screening to Prevent EAC

Major unmet clinical need

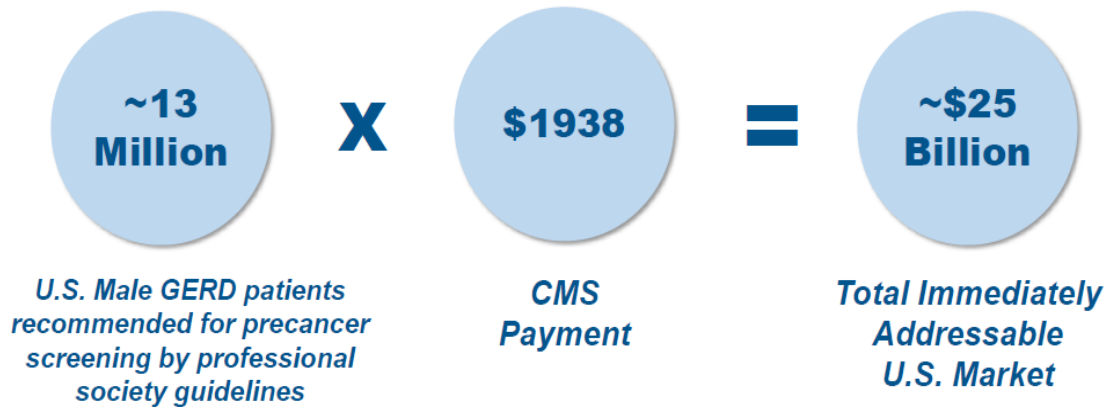
Necessary to prevent EAC deaths through early precancer detection

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

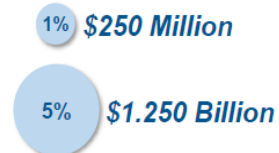


Increasing screening rate from <10% to 25% will prevent thousands of EAC deaths per year

## EsoGuard Commercial Opportunity



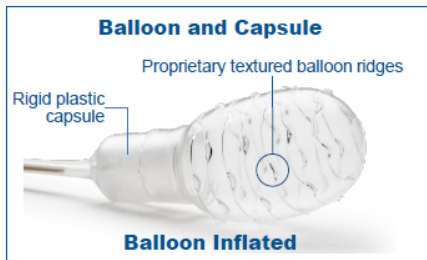
LONG-TERM EXPANDED MARKET OPPORTUNITIES	
U.S. Female GERD Patients	~18 Million patients
U.S. Silent GERD Patients	~30 Million patients



Source: Company reports.

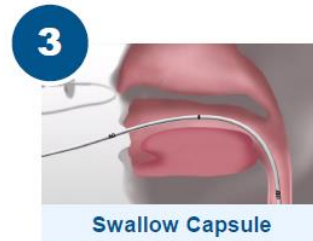
Exhibit 8: The EsoCheck Procedure

# 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

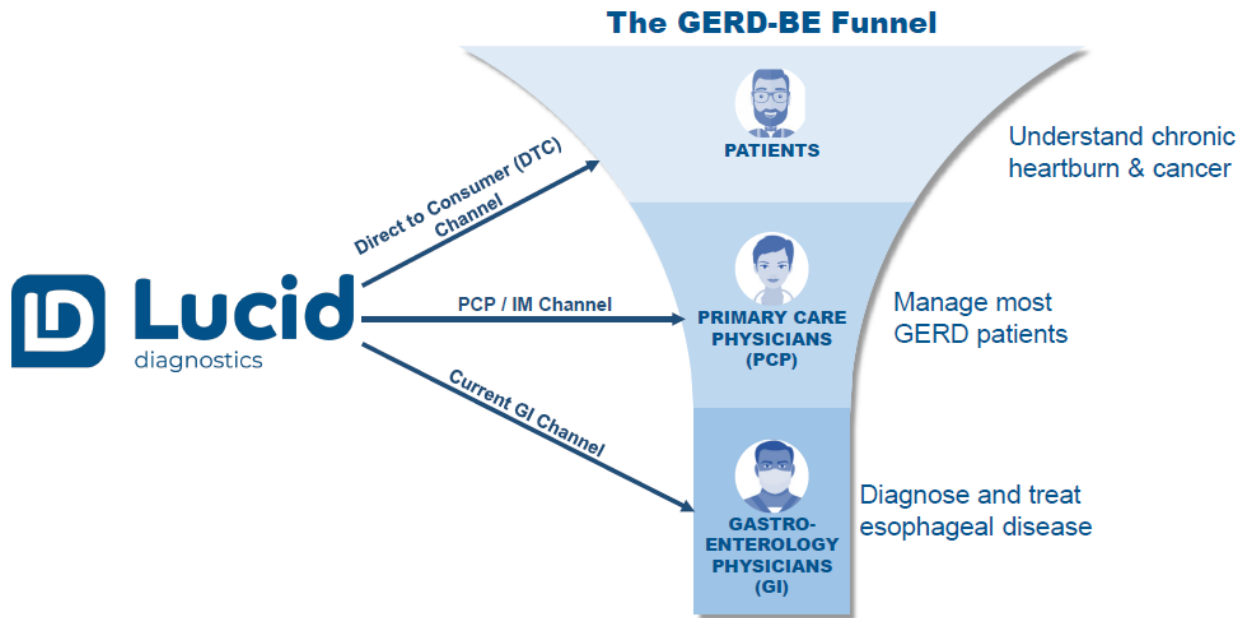
## EsoCheck Procedure Steps



Source: Company reports.

Exhibit 9: Lucid Growth Strategy

## Multichannel Commercial Strategy



## Lucid Growth Strategy

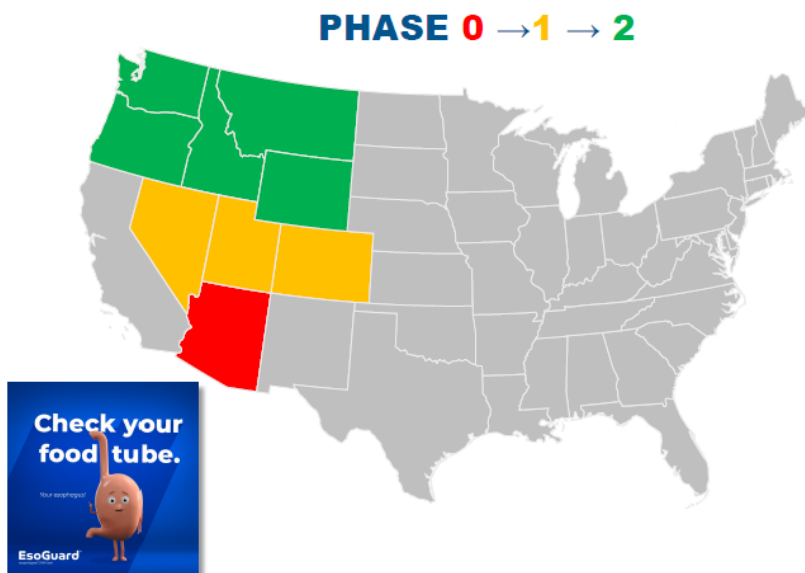


Source: Company reports.

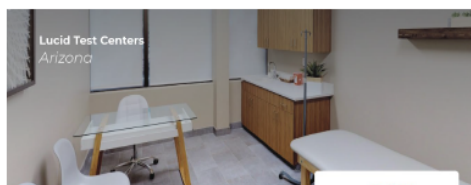


Exhibit 10: Lucid Test Centers

# Lucid Test Centers Early Phase Rollout



## Lucid Test Centers



**EsoGuard<sup>®</sup>**  
esophageal DNA test

**>90%**  
sensitivity & specificity  
at detecting Barrett's esophagus,  
with and without dysplasia, as well as  
esophageal adenocarcinoma!



**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**

<b>Estimated Quarterly Operating Costs</b>	Nurse Practitioner	\$30,000
	Medical Assistant	\$12,500
	Lease, Other	\$2,500
	<b>Total</b>	<b>\$45,000</b>
<b>Procedure</b>	Max tests per day	20
	Billed rate per test	\$2,000
<b>Revenue Opportunity</b>	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: CarpX**

**CarpX**

**Regulatory History**

- December 2019: successful first-in-human FDA clinical safety study
- Short learning curve, procedures times same or less than traditional open surgery
- April 2020: FDA 510(k) Marketing Clearance
- May 2021 European CE Mark Approval

**Commercial Status**

- December 2020: First U.S. commercial CarpX procedure
- Patient returned to work in less than one week
- Current initial limited commercial launch
- Early 2022: full commercialization



Source: Company reports.

**Exhibit 12: PAVmed Other Products**



**nextflo™**  
with FloSure™  
**Revolutionary  
IV Infusion Set**



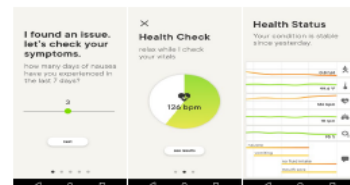
**Portio**

**Maintenance-free implantable  
vascular access device**

**Emerging Innovations**

<b>EsoCure</b>	<i>Endoscopic esophageal ablation</i>
<b>DisappEAR</b>	<i>Resorbable pediatric ear tubes</i>
<b>Solys</b>	<i>Noninvasive glucose monitoring</i>
<b>FlexMO</b>	<i>Versatile ECMO cannula</i>
<b>NextVent</b>	<i>Low-cost, single-use ventilator</i>

**VERIS  
HEALTH**

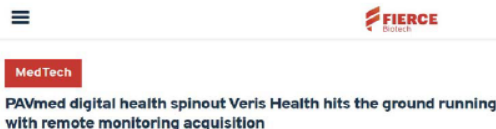


**Digital Cancer  
Care Platform &  
Intelligent Vascular Port**

Source: Company reports.

Exhibit 13: Veris Health Overview


# PAVmed Launches Veris, Acquires Oncodisc



- 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

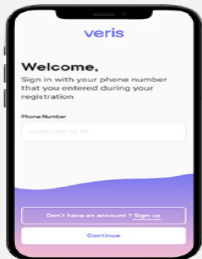
## Solution: Veris Health Platform

**DEVICE**



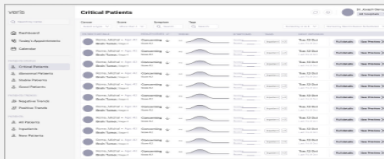
First intelligent implantable vascular access port

**SOFTWARE**



Patient mobile interface

**DATA**



Physician interface

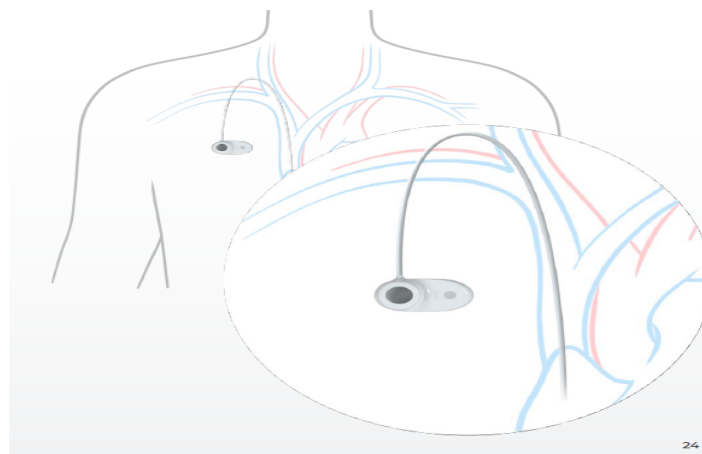
### Veris Health Device

## First intelligent implantable vascular access port

**Uninterrupted Internal Physiologic Data**

- 1.0 Device Features**
- Temperature
  - Heart rate
  - Respiratory rate
  - Activity (performance status)
  - Central Venous Pressure
  - Heart and breath sounds

- 2.0+ Device Features**
- Oxygen Saturation
  - Cardiac rhythm
  - Glucose
  - Lactate
  - pH & electrolytes



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Source: Company reports.

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## Exhibit 14: Q4 and Recent Business Highlights

- Lucid processed 303 commercial EsoGuard tests in the fourth quarter of 2021, which represents an approximately 50% increase sequentially from the third quarter and a nearly 200% increase annually from the fourth quarter of 2020. The Lucid Test Center program completed its first stage and now covers seven metropolitan areas in the Southwest and Pacific Northwest. Lucid is now launching the next stage of the program, with accelerated expansion into nine larger states. Lucid significantly expanded its sales infrastructure and operations. The team now consists of twenty-two sales professionals including ten sales representatives. It expects team to double in size and the number of sales reps to triple by the end of the calendar year.
- LucidDx Labs, a wholly owned subsidiary of Lucid, acquired the assets to operate its own new CLIA-certified, CAP-accredited clinical laboratory where it is now performing all EsoGuard testing. LucidDx Labs has upgraded its revenue cycle management provider and will start submitting Medicare claims using the effective \$1938 Medicare payment rate. It continues to wait for Medicare Administrative Contractor Palmetto GBA's MoDx program to issue a draft local coverage determination (LCD). The laboratory has been submitting claims to private payors and has been receiving approximately \$1,150 per test representing approximately 60% out-of-network coverage.
- Veris is successfully advancing its software, device, and data programs with the help of world-class technology and medical advisory boards and working very closely with Microsoft, as a member of its Global Partner program, and its software development partner, Loka Inc. The software platform is on schedule to launch commercially in 2H2022. Veris is hiring a Chief Commercial Officer and building its own data & analytics team to advance its data monetization strategy.
- Veris successfully completed feasibility animal testing of multiple prototypes of an implantable device as well as an FDA pre-submission meeting. Based on FDA feedback it has developed a three-phase pipeline, an initial platform launch in 2H2022 with wearables and connected medical devices, a subsequent FDA 510(k) path clearance of separate implantable monitoring device to be implanted alongside a traditional port, and an FDA *de novo* and EU CE Mark path for a fully integrated intelligent vascular access port.
- NextFlo product development is progressing well with FDA submission and commercial launch targeted for the second half of this year. PAVmed has hired a VP, Sales for NextFlo who is working closely with Deloitte to lay the foundation for commercial launch targeting inpatient, outpatient, and home infusions.
- CarpX continues with its limited commercial release utilizing early adopter key opinion leaders to advance procedural and product improvements. Eight new surgeons have been trained and five more are scheduled for training. Seven CarpX cases were performed in the fourth quarter of 2021. Clinical cases were then held to implement the product improvements and will restart this coming quarter. Development of next generation CarpX device incorporating integrated ultrasound imaging is progressing well.
- PortIO launched its first-in-human clinical study in Colombia, South America with three successful implants. Although the Company remains engaged with FDA regarding its requirements for an IDE study, it has expanded its strategy to pursue a European study to support EU CE Mark clearance and provide additional human data for U.S. approval.
- In March 2022, both the PAVmed and Lucid boards of directors approved entering into an intercompany license between PAVmed and Lucid such that Lucid will be granted the rights to commercialize EsoCure for the endoscopic treatment of late esophageal precancer (dysplastic Barrett's Esophagus), including a royalty arrangement whereby Lucid will pay PAVmed a 5% royalty on all EsoCure sales up to \$100 million per calendar year, and 8% above that threshold.
- In March 2022, both the PAVmed and Lucid boards of directors approved entering into a purchase and sale of the CapNostics, LLC assets, including the EsophaCap® non-endoscopic sponge-based esophageal cell collection device, from PAVmed to Lucid as well as transferring the consulting agreement with the principal owner of CapNostics, LLC prior to the purchase by PAVmed on October 5, 2021.

Source: Company reports.

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### Exhibit 15: PAVmed Inc. Stock Price (5-years)



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

### Exhibit 16: Consensus Expectations (as of March 29, 2022)

	Revenue (mil)			EPS	
	2021E	2022E		2021E	2022E
Q1 Mar	\$0.0A	\$0.7E	Q1 Mar	\$(0.08)A	\$(0.18)E
Q2 Jun	\$0.0A		Q2 Jun	\$(0.08)A	
Q3 Sep	\$0.2A		Q3 Sep	\$(0.10)A	
Q4 Dec	\$0.5E		Q4 Dec	\$(0.15)E	
Total	\$0.7E	\$7.1E	Total	\$(0.57)E	\$(0.65)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-20	Jun-20	Sep-20	Dec-20	2020	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
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
<b>Total Revenue</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>0.3</b>	<b>0.5</b>	<b>0.4</b>	<b>0.6</b>	<b>1.2</b>	<b>3.8</b>	<b>6.0</b>	<b>4.0</b>	<b>4.2</b>	<b>4.4</b>	<b>5.4</b>	<b>18.0</b>
Cost of Revenues	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.4	0.6	0.2	0.3	0.5	1.5	2.6	1.6	1.5	1.5	1.6	6.2
Gross Profit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	(0.1)	(0.1)	0.2	0.3	0.7	2.3	3.4	2.4	2.7	2.9	3.8	11.8
Sales and marketing	0.4				0.4	1.4	2.0	2.4	3.1	8.9	3.2	3.3	3.4	3.5	13.4	3.4	3.6	3.8	4.0	14.8
General and administrative	2.2	2.9	2.9	4.0	12.0	3.4	6.7	6.0	9.5	25.6	8.5	8.5	8.5	8.5	34.0	9.0	9.0	9.0	9.0	36.0
Research and development	2.6	2.1	2.6	3.6	11.0	3.3	4.3	5.3	7.0	19.8	6.5	6.5	6.5	6.5	26.0	7.0	7.0	7.0	7.0	28.0
Restructuring and other					0.0					0.0					0.0					0.0
Total operating expenses	5.3	5.0	5.5	7.6	23.4	8.1	13.0	13.7	19.5	54.3	18.2	18.3	18.4	18.5	73.4	19.4	19.6	19.8	20.0	78.8
<b>Operating income (loss)</b>	<b>(5.3)</b>	<b>(5.0)</b>	<b>(5.5)</b>	<b>(7.6)</b>	<b>(23.4)</b>	<b>(8.1)</b>	<b>(13.0)</b>	<b>(13.7)</b>	<b>(19.7)</b>	<b>(54.4)</b>	<b>(18.0)</b>	<b>(18.0)</b>	<b>(17.7)</b>	<b>(16.2)</b>	<b>(70.0)</b>	<b>(17.0)</b>	<b>(16.9)</b>	<b>(16.9)</b>	<b>(16.2)</b>	<b>(67.0)</b>
Interest income (expense)	(0.1)			(0.0)	(0.1)					0.0	0.0	0.0	(0.5)	(0.5)	(1.1)	(1.0)	(1.0)	(1.0)	(1.0)	(4.0)
Other income (expense)	(9.2)	(0.6)	(0.0)	(1.3)	(11.2)	(1.4)	1.4	1.4	2.4	3.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income before income taxes	(14.5)	(5.6)	(5.6)	(8.8)	(34.6)	(9.5)	(11.5)	(12.3)	(17.3)	(50.6)	(18.0)	(18.0)	(18.3)	(16.8)	(71.1)	(18.0)	(17.9)	(17.9)	(17.2)	(71.0)
Income taxes					0.0					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (loss)	(14.5)	(5.6)	(5.6)	(8.8)	(34.6)	(9.5)	(11.5)	(12.3)	(17.3)	(50.6)	(18.0)	(18.0)	(18.3)	(16.8)	(71.1)	(18.0)	(17.9)	(17.9)	(17.2)	(71.0)
Nonrecurring/noncash adjustme	10.1	1.4	1.0	2.4	14.9	3.6	5.1	4.0	4.4	17.1					0.0					0.0
<b>Net income (pro forma)</b>	<b>(4.5)</b>	<b>(4.2)</b>	<b>(4.5)</b>	<b>(6.4)</b>	<b>(19.7)</b>	<b>(6.0)</b>	<b>(6.4)</b>	<b>(8.3)</b>	<b>(12.9)</b>	<b>(33.6)</b>	<b>(18.0)</b>	<b>(18.0)</b>	<b>(18.3)</b>	<b>(16.8)</b>	<b>(71.1)</b>	<b>(18.0)</b>	<b>(17.9)</b>	<b>(17.9)</b>	<b>(17.2)</b>	<b>(71.0)</b>
EBITDA	(14.4)		(5.5)	(8.7)	(34.2)	(9.4)	(11.5)	(12.2)	(17.1)	(50.1)	(13.6)	(13.6)	(13.3)	(11.8)	(52.4)	(12.6)	(12.5)	(12.5)	(11.8)	(49.4)
Shares, Basic	43.5	44.8	48.4	53.0	45.6	74.0	82.2	83.3	86.4	77.5	88.0	88.5	89.0	90.0	88.9	90.5	91.0	91.5	92.5	91.4
Shares, Diluted	43.5	44.8	48.4	53.0	45.6	74.0	82.2	83.3	86.4	77.5	88.0	88.5	89.0	90.0	88.9	90.5	91.0	91.5	92.5	91.4
EPS Basic (pro forma)	(\$0.10)	(\$0.09)	(\$0.09)	(\$0.12)	(\$0.43)	(\$0.08)	(\$0.08)	(\$0.10)	(\$0.15)	(\$0.43)	(\$0.20)	(\$0.20)	(\$0.21)	(\$0.19)	(\$0.80)	(\$0.20)	(\$0.20)	(\$0.20)	(\$0.19)	(\$0.78)
EPS Diluted (pro forma)	(\$0.10)	(\$0.09)	(\$0.09)	(\$0.12)	(\$0.43)	(\$0.08)	(\$0.08)	(\$0.10)	(\$0.15)	(\$0.43)	(\$0.20)	(\$0.20)	(\$0.21)	(\$0.19)	(\$0.80)	(\$0.20)	(\$0.20)	(\$0.20)	(\$0.19)	(\$0.78)
<b>Margins</b>																				
Gross margin								28%	-47%	-17%	45%	50%	55%	60%	57%	60%	65%	65%	70%	65%
Sales and marketing								1034%	1779%	800%	550%	283%	92%	223%	85%	86%	86%	74%	82%	82%
General and administrative								3155%	5113%	2125%	1417%	708%	224%	567%	225%	214%	205%	167%	200%	200%
Research and development								2323%	3969%	1625%	1083%	542%	171%	433%	175%	167%	159%	130%	156%	156%
Operating margin	NM	NM	NM	NM	NM	NM	NM	-6834%	-6559%	-10879%	-4505%	-3000%	-1478%	-427%	-1166%	-425%	-402%	-385%	-300%	-372%
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	NM	NM	NM	NM	NM	-6147%	-5762%	-10126%	-4505%	-3000%	-1523%	-441%	-1184%	-450%	-425%	-408%	-319%	-395%
<b>Y/Y % change</b>																				
Total Revenue																				
Gross margin																				
Sales and marketing											131%	67%	40%	13%	51%	6%	9%	12%	14%	10%
General and administrative	32%	51%	69%	70%	57%	51%	134%	106%	138%	113%	152%	26%	42%	-10%	33%	6%	6%	6%	6%	6%
Research and development	81%	52%	72%	59%	65%	26%	100%	103%	95%	81%	96%	53%	23%	-7%	31%	8%	8%	8%	8%	8%
Operating income (loss)	262%	257%	264%	235%	252%	54%	159%	147%	160%	133%	123%	39%	30%	-18%	29%	-6%	-6%	-5%	0%	-4%
Net income (loss)	663%	224%	289%	121%	281%	-35%	104%	121%	96%	46%	90%	56%	49%	-3%	40%	0%	-1%	-2%	3%	0%
EPS Diluted (pro forma)	240%	199%	192%	161%	104%	-22%	-17%	6%	23%	0%	155%	161%	106%	25%	85%	-3%	-3%	-5%	0%	-3%

Source: Company reports and Ascendant Capital Markets estimates.

**PAVmed Inc.**

<b>Balance Sheet (\$ mils)</b>	<b>Mar-20</b>	<b>Jun-20</b>	<b>Sep-20</b>	<b>Dec-20</b>	<b>Mar-21</b>	<b>Jun-21</b>	<b>Sep-21</b>	<b>Dec-21</b>	<b>Mar-22</b>	<b>Jun-22</b>	<b>Sep-22</b>	<b>Dec-22</b>	<b>Mar-23</b>	<b>Jun-23</b>	<b>Sep-23</b>	<b>Dec-23</b>
<b>Fiscal Year End: December 31</b>	<b>Q1A</b>	<b>Q2A</b>	<b>Q3A</b>	<b>Q4A</b>	<b>Q1A</b>	<b>Q2A</b>	<b>Q3A</b>	<b>Q4A</b>	<b>Q1E</b>	<b>Q2E</b>	<b>Q3E</b>	<b>Q4E</b>	<b>Q1E</b>	<b>Q2E</b>	<b>Q3E</b>	<b>Q4E</b>
<b>Assets</b>																
Cash and cash equivalents	8.7	7.1	8.3	17.3	48.5	43.2	37.3	77.3	62.4	74.3	59.1	68.3	53.2	34.3	19.3	1.0
Short term investments									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable							0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Inventory							0.1		0.0	0.0	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	0.0	0.0
Prepaid expenses and other	0.7	1.1	1.5	1.7	2.0	3.1	4.1	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2
<b>Total current assets</b>	<b>9.4</b>	<b>8.2</b>	<b>9.8</b>	<b>18.9</b>	<b>50.5</b>	<b>46.3</b>	<b>41.7</b>	<b>82.6</b>	<b>67.7</b>	<b>79.7</b>	<b>64.5</b>	<b>73.7</b>	<b>58.6</b>	<b>39.7</b>	<b>24.6</b>	<b>6.3</b>
Property and equipment, net								0.5	2.8	4.3	5.5	7.0	8.4	13.9	15.4	20.8
Intangibles, net								0.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Deferred income tax									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.7	0.7	0.7	0.8	0.9	1.0	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
<b>Total assets</b>	<b>10.1</b>	<b>8.9</b>	<b>10.5</b>	<b>19.8</b>	<b>51.4</b>	<b>47.4</b>	<b>43.0</b>	<b>87.0</b>	<b>73.3</b>	<b>86.7</b>	<b>72.8</b>	<b>83.4</b>	<b>69.8</b>	<b>56.3</b>	<b>42.8</b>	<b>29.9</b>
<b>Liabilities and stockholders' equity</b>																
Accounts payable	4.2	3.6	3.2	3.0	1.9	3.8	6.1	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
Accrued expenses	1.5	1.5	1.5	2.3	1.1	1.6	1.7	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
Deferred income tax									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other		0.3	0.2	0.3	0.3				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short term debt	20.7	16.2	20.2	14.7					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total current liabilities</b>	<b>26.3</b>	<b>21.7</b>	<b>25.2</b>	<b>20.3</b>	<b>3.3</b>	<b>5.3</b>	<b>7.8</b>	<b>7.6</b>	<b>7.6</b>	<b>7.6</b>	<b>7.6</b>	<b>7.6</b>	<b>7.6</b>	<b>7.6</b>	<b>7.6</b>	<b>7.6</b>
Deferred income taxes									0.0	0.0	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	0.0	0.0
Other long term liabilities			0.1						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long term debt									0.0	27.0	27.0	50.0	50.0	50.0	50.0	50.0
<b>Total other liabilities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>27.0</b>	<b>27.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>
Preferred stock	2.3	2.4	2.5	2.5	2.6	2.5	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Common stock	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	4.5	8.8	13.2	17.6	22.0	26.4	30.7	35.1
Additional paid-in capital	50.9	60.1	64.1	87.6	145.4	149.7	154.1	198.1	198.1	198.1	198.1	198.1	198.1	198.1	198.1	198.1
Retained earnings	(68.3)	(73.9)	(79.5)	(88.3)	(97.8)	(109.3)	(121.6)	(138.9)	(156.9)	(174.9)	(193.2)	(210.0)	(228.0)	(245.8)	(263.8)	(281.0)
Accumulated other comprehensive income									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority interest	(1.2)	(1.5)	(1.9)	(2.4)	(2.2)	(0.9)	0.4	17.8	17.8	17.8	17.8	17.8	17.8	17.8	17.8	17.8
<b>Total stockholders' equity</b>	<b>(16.2)</b>	<b>(12.8)</b>	<b>(14.8)</b>	<b>(0.5)</b>	<b>48.0</b>	<b>42.0</b>	<b>35.2</b>	<b>79.4</b>	<b>65.8</b>	<b>52.2</b>	<b>38.3</b>	<b>25.9</b>	<b>12.3</b>	<b>(1.2)</b>	<b>(14.8)</b>	<b>(27.6)</b>
<b>Total stockholders' equity and liabilities</b>	<b>10.1</b>	<b>8.9</b>	<b>10.5</b>	<b>19.8</b>	<b>51.4</b>	<b>47.4</b>	<b>43.0</b>	<b>87.0</b>	<b>73.3</b>	<b>86.7</b>	<b>72.8</b>	<b>83.4</b>	<b>69.8</b>	<b>56.3</b>	<b>42.8</b>	<b>29.9</b>

**Balance Sheet Drivers**

	<b>Mar-20</b>	<b>Jun-20</b>	<b>Sep-20</b>	<b>Dec-20</b>	<b>Mar-21</b>	<b>Jun-21</b>	<b>Sep-21</b>	<b>Dec-21</b>	<b>Mar-22</b>	<b>Jun-22</b>	<b>Sep-22</b>	<b>Dec-22</b>	<b>Mar-23</b>	<b>Jun-23</b>	<b>Sep-23</b>	<b>Dec-23</b>
	<b>Q1A</b>	<b>Q2A</b>	<b>Q3A</b>	<b>Q4A</b>	<b>Q1A</b>	<b>Q2A</b>	<b>Q3A</b>	<b>Q4A</b>	<b>Q1E</b>	<b>Q2E</b>	<b>Q3E</b>	<b>Q4E</b>	<b>Q1E</b>	<b>Q2E</b>	<b>Q3E</b>	<b>Q4E</b>
<b>Book &amp; Cash Value (per share)</b>																
Book Value per Share (diluted)	(0.37)	(0.29)	(0.31)	(0.01)	0.65	0.51	0.42	0.92	0.75	0.59	0.43	0.29	0.14	(0.01)	(0.16)	(0.30)
Cash per Share (diluted)	0.20	0.16	0.17	0.33	0.66	0.53	0.45	0.89	0.71	0.84	0.66	0.76	0.59	0.38	0.21	0.01
Net cash per Share (diluted)	(0.27)	(0.20)	(0.25)	0.05	0.66	0.53	0.45	0.89	0.71	0.53	0.36	0.20	0.04	(0.17)	(0.34)	(0.53)

Source: Company reports and Ascendant Capital Markets estimates

**PAVmed Inc.**

Cash Flow Statement (\$ mils)	Mar-20	Jun-20	Sep-20	Dec-20	2020	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
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
<b>Cash flow from operating activities</b>																				
Net income	(14.9)	(5.8)	(5.9)	(9.3)	(35.9)	(10.1)	(12.7)	(13.7)	(19.7)	(56.1)	(18.0)	(18.0)	(18.3)	(16.8)	(71.1)	(18.0)	(17.9)	(17.9)	(17.2)	(71.0)
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1
Amortization					0.0			(0.0)	0.1	0.1					0.0					0.0
Debt related amortization expen	1.2	2.7	1.6	1.0	6.5					0.0					0.0					0.0
Stock comp	0.3	0.5	0.6	0.6	2.0	1.4	5.2	4.0	4.4	15.0	4.4	4.4	4.4	4.4	17.5	4.4	4.4	4.4	4.4	17.5
Deferred income taxes					0.0					0.0	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 I	8.0	(2.1)	(1.3)	0.7	5.3	(1.7)				(1.7)					0.0					0.0
Writedowns and impairments					0.0	3.7				3.7					0.0					0.0
Other gains/losses					0.0		(0.2)		0.0	(0.2)					0.0					0.0
Other		0.0	(0.0)		0.0					0.0					0.0					0.0
Changes in operating assets and liabilities:																				
Accounts receivable								(0.2)		(0.2)					0.0					0.0
Prepaid expenses & other curre	(0.4)	(0.4)	(0.4)	(0.2)	(1.3)	(0.3)	(1.2)	(0.5)	(1.5)	(3.5)	0.0	0.0	0.0	0.0	0.0	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	0.0	0.0
Accounts payable	1.8	(0.5)	(0.4)	(0.4)	0.5	(1.1)	1.7	2.3	(2.7)	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued expenses	0.1	0.0	(0.0)	0.8	0.9	(1.2)	0.4	0.0	2.6	1.9	0.0	0.0	0.0	0.0	0.0	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>(3.8)</b>	<b>(5.6)</b>	<b>(5.8)</b>	<b>(6.7)</b>	<b>(21.9)</b>	<b>(9.2)</b>	<b>(6.6)</b>	<b>(8.0)</b>	<b>(16.8)</b>	<b>(40.6)</b>	<b>(13.6)</b>	<b>(13.6)</b>	<b>(13.9)</b>	<b>(12.4)</b>	<b>(53.5)</b>	<b>(13.6)</b>	<b>(13.5)</b>	<b>(13.5)</b>	<b>(12.8)</b>	<b>(53.4)</b>
<b>Cash flow from investing activities</b>																				
Purchases of property and equi	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.1)	(0.0)	(1.3)	(1.5)	(1.3)	(1.5)	(1.5)	(5.5)	(1.5)	(5.5)	(1.5)	(5.5)	(5.5)	(13.9)
Purchases of short-term investments					0.0					0.0					0.0					0.0
Acquisitions					0.0		(0.0)	(0.1)	(2.1)	(2.2)					0.0					0.0
Other					0.0					0.0					0.0					0.0
<b>Net cash used in investing activ</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(3.4)</b>	<b>(3.7)</b>	<b>(1.3)</b>	<b>(1.5)</b>	<b>(1.3)</b>	<b>(1.5)</b>	<b>(5.5)</b>	<b>(1.5)</b>	<b>(5.5)</b>	<b>(1.5)</b>	<b>(5.5)</b>	<b>(13.9)</b>
<b>Cash flow from financing activities</b>																				
Issuance of debt	6.3	4.0	7.0		17.3					0.0	0.0	27.0	0.0	23.0	50.0	0.0	0.0	0.0	0.0	0.0
Repayment of debt	(0.1)	(0.1)	(0.2)	(0.2)	(0.6)	(15.0)				(15.0)					0.0					0.0
Issuance of stock				15.9	15.9	53.7			56.3	110.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from stock option exe	0.1		0.2	0.0	0.4	1.8	1.5	2.3	3.7	9.2					0.0					0.0
Other					0.0					0.0					0.0					0.0
Dividends and distributions					0.0					0.0					0.0					0.0
<b>Cash provided by (used in) fina</b>	<b>6.3</b>	<b>3.9</b>	<b>7.1</b>	<b>15.7</b>	<b>33.0</b>	<b>40.5</b>	<b>1.5</b>	<b>2.3</b>	<b>60.1</b>	<b>104.3</b>	<b>0.0</b>	<b>27.0</b>	<b>0.0</b>	<b>23.0</b>	<b>50.0</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>2.5</b>	<b>(1.7)</b>	<b>1.2</b>	<b>9.0</b>	<b>11.0</b>	<b>31.3</b>	<b>(5.3)</b>	<b>(5.9)</b>	<b>39.9</b>	<b>60.0</b>	<b>(14.9)</b>	<b>11.9</b>	<b>(15.2)</b>	<b>9.2</b>	<b>(9.0)</b>	<b>(15.1)</b>	<b>(19.0)</b>	<b>(15.0)</b>	<b>(18.3)</b>	<b>(67.4)</b>
<b>Beginning cash and equivalents</b>	<b>6.2</b>	<b>8.7</b>	<b>7.1</b>	<b>8.3</b>	<b>6.2</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>62.4</b>	<b>74.3</b>	<b>59.1</b>	<b>77.3</b>	<b>68.3</b>	<b>53.2</b>	<b>34.3</b>	<b>19.3</b>	<b>68.3</b>
<b>Ending cash and equivalents</b>	<b>8.7</b>	<b>7.1</b>	<b>8.3</b>	<b>17.3</b>	<b>17.3</b>	<b>48.5</b>	<b>43.2</b>	<b>37.3</b>	<b>77.3</b>	<b>77.3</b>	<b>62.4</b>	<b>74.3</b>	<b>59.1</b>	<b>68.3</b>	<b>68.3</b>	<b>53.2</b>	<b>34.3</b>	<b>19.3</b>	<b>1.0</b>	<b>1.0</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

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Risks to attainment of our share price target include balance sheet/liquidity risks, failure of product/device candidates to demonstrate safety and efficacy in clinical trials, failure to gain regulatory approvals, ability to commercialize products, failure to obtain suitable reimbursement, competition, changing macroeconomic factors, investor sentiment for investing in biotech/medtech stocks, and changes in consumer or government priorities for healthcare.

### Ascendant Capital Markets, LLC Rating System

**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 Rating System

*Prior to January 31, 2014, ASCM used the following rating system:*

**Strong Buy:** We expect the stock to provide a total return of 30% or more within a 12-month period.

**Buy:** We expect the stock to provide a total return of between 10% and 30% within a 12-month period.

**Neutral:** We expect the stock to provide a total return of between minus 10% and plus 10% within a 12-month period.

**Sell:** We expect the stock to provide a total return of minus 10% or worse within a 12-month period.

**Speculative Buy:** This rating is reserved for companies we believe have tremendous potential, but whose stocks are illiquid or whose equity market capitalizations are very small, often in the definition of a nano cap (below \$50 million in market cap). In general, for stocks ranked in this category, we expect the stock to provide a total return of 50% or more within a 12-month period. However, because of the illiquid nature of the stock's trading and/or the nano cap nature of the investment, we caution that these investments may not be suitable for all parties.

Total return is defined as price appreciation plus dividend yield.

### Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of January 15, 2022)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	40	98%	16	40%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	41	100%	16	39%

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