



PAVmed Inc.

Reports Q4: Lucid large ramp up should drive stock much higher.
Lowering P/T to \$7.75.

Reports Q4: PAVmed recently (on March 14) reported its Q4 2022 (ending December) results. Revenue was \$0.1 million, compared with our and consensus estimates of \$0.3 – 0.4 million. Pro forma net loss was \$13.8 million or EPS of \$(0.15), compared with our and consensus estimate of \$(0.25). There was no Q4 guidance. PAVmed's Lucid business (which represents all of PAVmed's revenues) is still early in its commercialization so it generates minimal revenue currently, but revenue is expected to grow significantly in 2023.

EsoGuard growth: The company processed 1,174 tests in Q4, up from 1,088 tests in Q3, 850 in Q2, 533 in Q1. 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). The company expects to perform 1,600 tests in Q1, which is up from 1,174 in Q4.

Operating expenses: Operating expenses were \$23 million, up from \$22 million in Q3 2022.

No guidance: Management did not provide forward guidance.

Adjusting estimates: We are adjusting our 2023 estimates for revenues to \$8.5 million, from \$13.0 million, and for EPS to \$(0.65) from \$(0.94).

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 2 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.

Lucid IPO completed in Q4 2021: In Q4 2021, PAVmed completed its IPO of majority-owned subsidiary Lucid Diagnostics into a separate public company (ticker LUCD). PAVmed still owns ~76% of Lucid, and Lucid's financials will continue to be consolidated into PAVmed's financials.

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. The Test Center program has quickly expanded to 13 locations in 11 states.

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 released in Q4 2022: In June 2021, 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. In Q4, Veris Health commercialization and software launch began.

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 Q4, PAVmed has \$40 million in cash and \$34 million in debt. With its recent up to \$50 million debt raise and Lucid's recent \$24 million raise, we believe the company has enough cash through mid-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 \$7.75 from \$8.25 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

April 9, 2023

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COMPANY UPDATE

Rating: BUY

Ticker: PAVM

Price: \$0.37

Target: \$7.75
(from \$8.25)

Stock Data

Exchange:	NasdaqGS
52-week Range:	\$0.35 – 2.34
Shares Outstanding (million):	98
Market cap (\$million):	\$36
EV (\$million):	\$30
Debt (\$million):	\$34
Cash (\$million):	\$40
Avg. Daily Trading Vol. (\$million):	\$0.4
Float (million shares):	89
Short Interest (million shares):	7
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2023E</u> (Cur.)	<u>2023E</u> (Old)	<u>2024E</u> (Cur.)	<u>2024E</u> (Old)
Q1 Mar	0.2E	1.0E	2.5E	
Q2 Jun	0.4E	2.0E	3.5E	
Q3 Sep	2.0E	4.0E	5.0E	
Q4 Dec	<u>5.9E</u>	<u>6.0E</u>	<u>6.0E</u>	
Total	8.5E	13.0E	17.0E	
EV/Revs	4x		2x	

Earnings per Share (pro forma)

	<u>2023E</u> (Cur.)	<u>2023E</u> (Old)	<u>2024E</u> (Cur.)	<u>2024E</u> (Old)
Q1 Mar	(0.17)E	(0.25)E	(0.17)E	
Q2 Jun	(0.18)E	(0.25)E	(0.16)E	
Q3 Sep	(0.16)E	(0.23)E	(0.15)E	
Q4 Dec	<u>(0.14)E</u>	<u>(0.21)E</u>	<u>(0.14)E</u>	
Total	<u>(0.65)E</u>	<u>(0.94)E</u>	<u>(0.62)E</u>	
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*



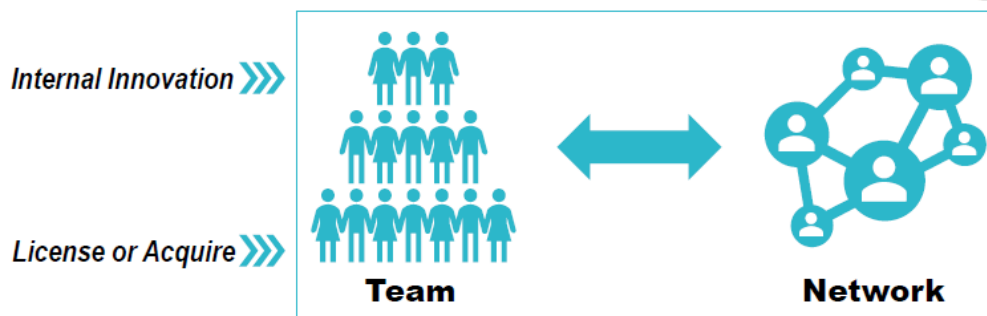
*Groundbreaking
Technologies
Addressing Important
Unmet Clinical Needs*



*Business Model
Focused on
Speed to Market*



Innovation & Value Creation Engine



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



- Launched Veris Cancer Care Platform™ (Veris CCP) and **executed first commercial contract**
- **Veris CCP went live.** Patients transmitting physiologic data to the cloud-based clinician portal and reporting symptoms and quality-of-life parameters through smartphone app
- Oncology practice and the cancer care team reviewing physiologic and clinical data on portal and **billing for RPM services**
- Veris receiving subscription payments under software-as-a-service **recurring-revenue business model**



- EsoGuard® **test volume growth remains strong**
- Secured in-network EsoGuard contract with **largest secondary PPO, MultiPlan**, with approximately 60M consumers
- Commercial payor in-network EsoGuard contracts averaging **over \$2000 per test** and all PPO contracts at or above Medicare rate
- Successful launch of **high-volume #CYFT events**; robust near-term pipeline of events
- **Secured financing of \$24.6M** extending cash runway well into 2024

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%

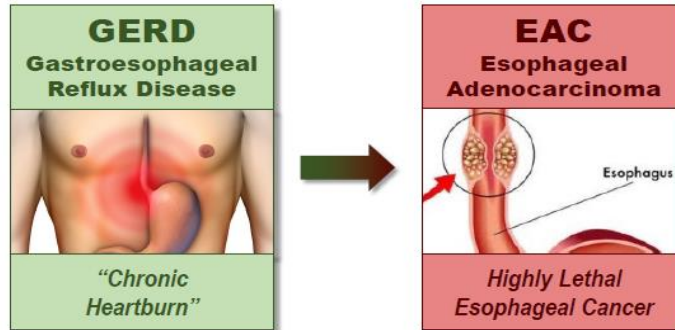


Source: Company reports.

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

Source: Company reports.

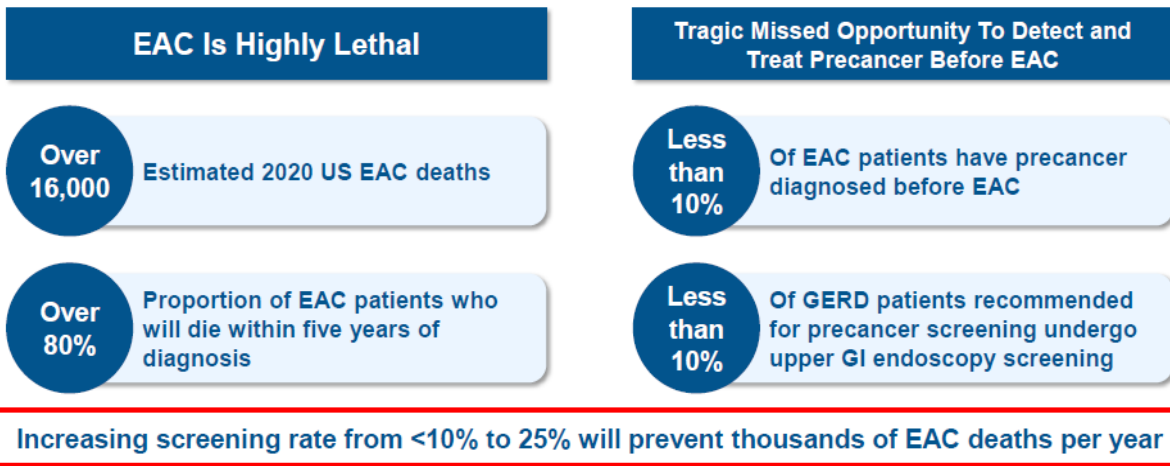
Exhibit 7: EsoCheck and EsoGuard Market Opportunity

EAC Precancer Screening to Prevent EAC

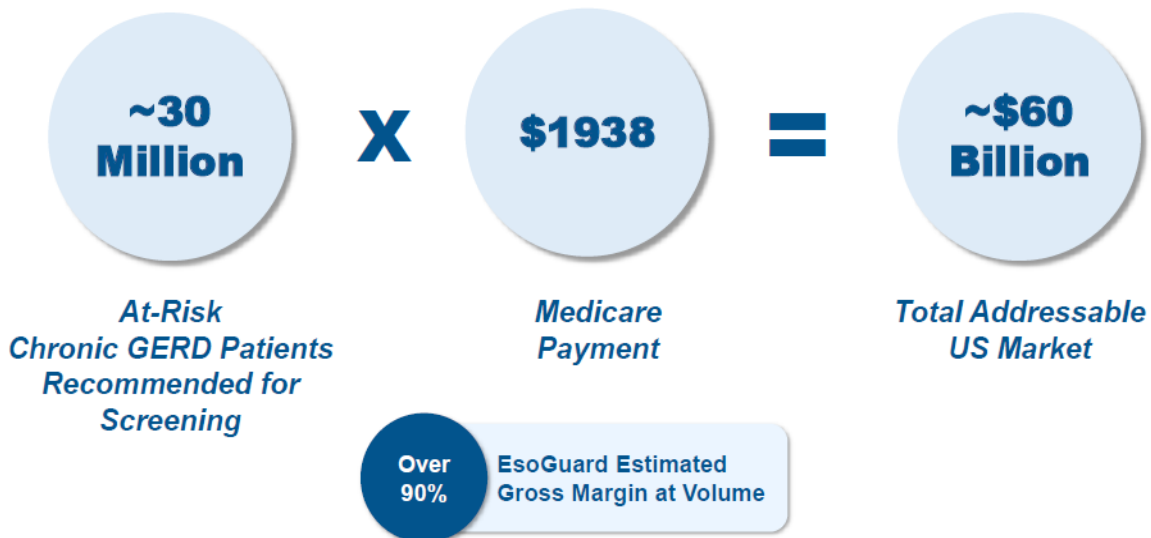
Major unmet clinical need

Necessary to prevent EAC deaths through early precancer detection

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



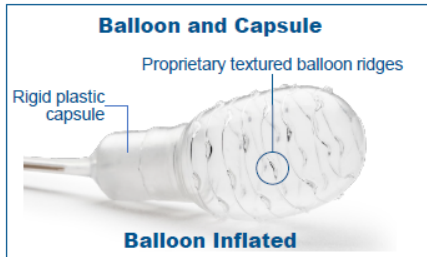
EsoGuard Commercial Opportunity



Source: Company reports.

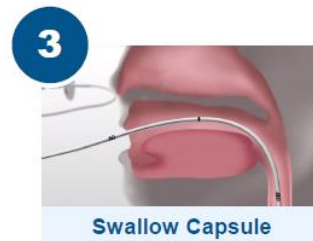
Exhibit 8: The EsoCheck Procedure

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

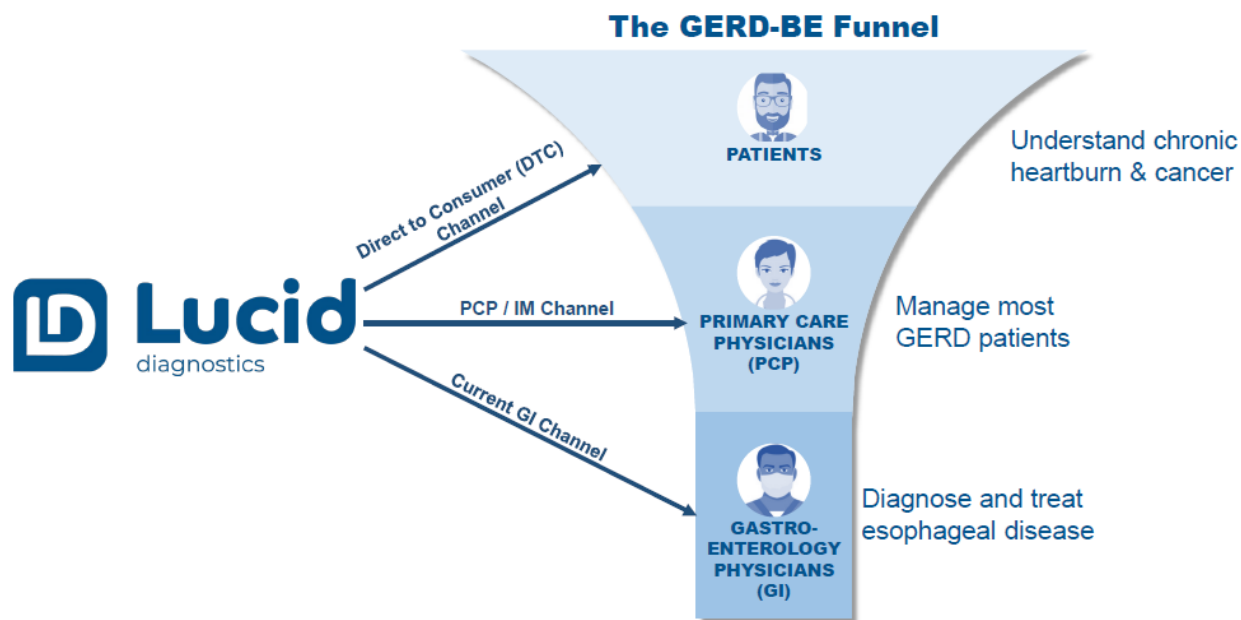
EsoCheck Procedure Steps



Source: Company reports.

Exhibit 9: Lucid Growth Strategy

Multichannel Commercial 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

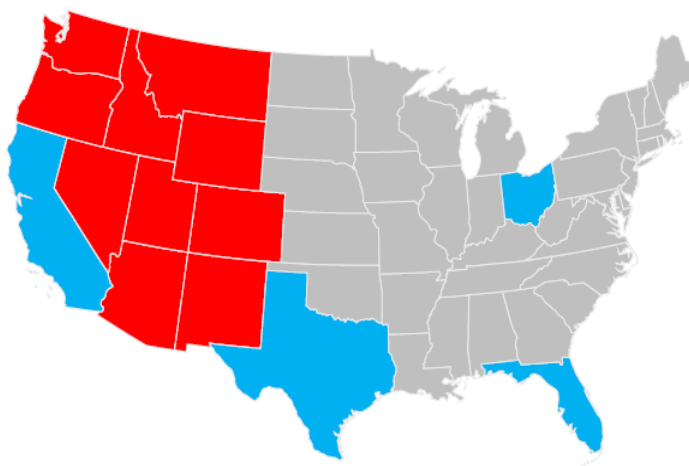
CELL COLLECTION SITE	Lucid Test Center (LTC)	Satellite Lucid Test Center (sLTC)	Physician Practice
EsoCheck Procedure Operator	Lucid NP	Lucid NP	Practice RN / NP / PA

Source: Company reports.

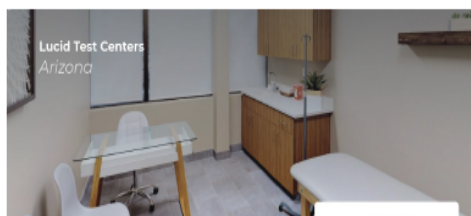
Exhibit 10: Lucid Test Centers (as of Q2 2022)

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

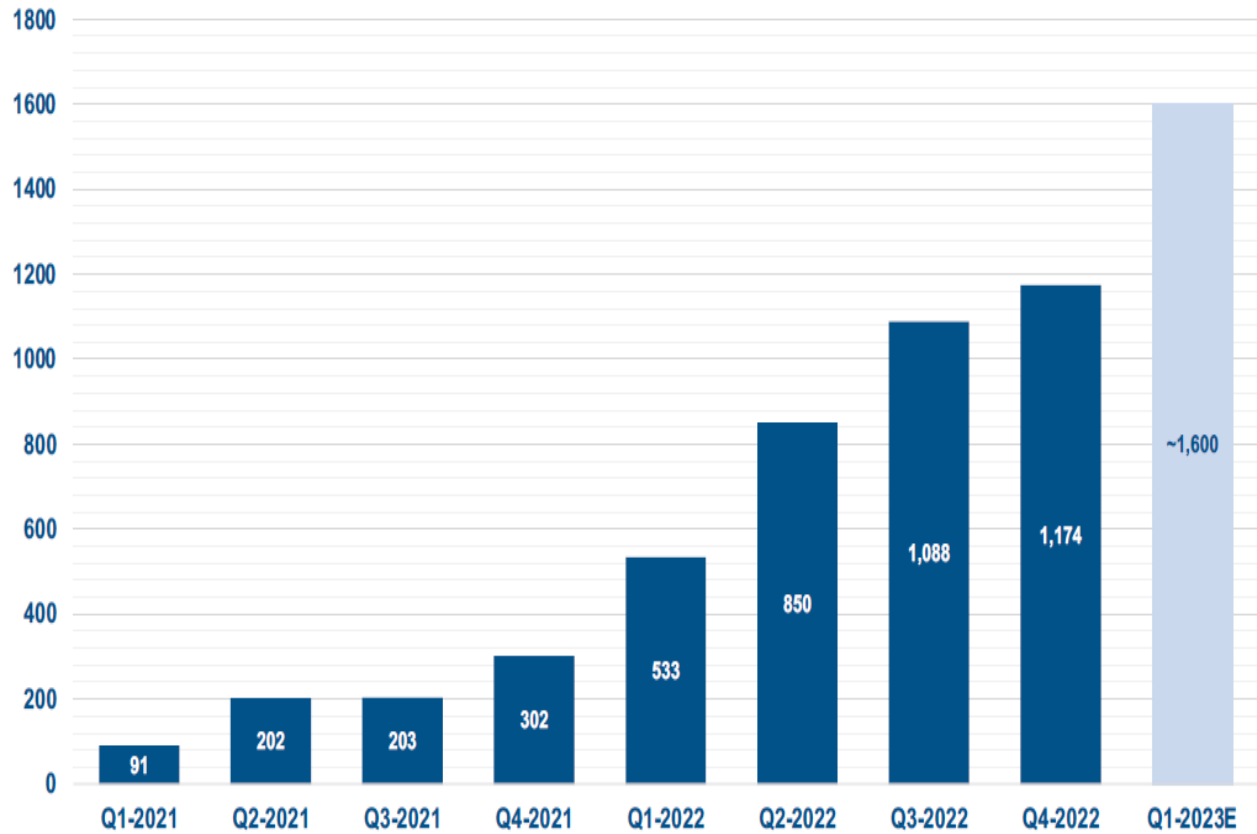
Over 90%

EsoGuard Estimated Gross Margin at Volume

Source: Company reports.

Exhibit 11: EsoGuard Testing Volume

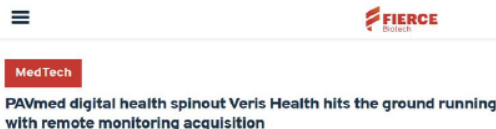
EsoGuard Testing Volume by Quarter



Source: Company reports.

Exhibit 12: 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	SOFTWARE	DATA
<p>First intelligent implantable vascular access port</p>	<p>Patient mobile interface</p>	<p>Physician interface</p>



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's Solutions

Veris Cancer Care Platform (Veris CCP)

Continuous RPM Implantable Physiologic Monitor

Veris CCP facilitates early detection of complications, longitudinal trends, and risk management tools for enhanced personalized cancer care

Source: Company reports.

Exhibit 14: Veris Health Business Model

Business Model

Veris Revenue Opportunity

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

Customer Value Proposition

RPM Billing

Code	Description	Amount / Frequency
99453	Setup of remote devices	\$18.77 / One-time only
99454	Recording and transmission of physiologic data (16/30 days)	\$62.44 / Monthly
99457	First 20 minutes of remote monitoring provided by clinician	\$51.61 / Monthly
99458	Additional 20 minutes of remote monitoring provided by clinician	\$42.22 / Monthly (x2)
Monthly Total (excluding one-time setup)		\$198.49
Estimated profit		\$100+ per month

- Facilitates participation in CMS and other value-based payment models
- Decreased administrative workload

Total Addressable Market opportunity of ~\$2 billion

Source: Company reports.

Exhibit 15: Q4 2022 and Recent Business Highlights (as of March 14, 2023)

Highlights from the fourth quarter and recent weeks include:

- In January 2022, PAVmed launched a strategic restructuring initiative designed to maximize cash runway and protect long-term shareholder interests through adjustments in near-term strategic priorities and associated resource allocation. The Company stated that it would focus substantially all its resources and near-term efforts on accelerating the commercialization of Lucid's and Veris' products, resulting in a meaningful reduction in its workforce and quarterly cash burn. The strategic initiative has been completed resulting in a durable, positive impact on the consolidated cash runway and balance sheet, which were further strengthened by Lucid's announcement yesterday that it had secured \$24.6 million in financing extending its cash runway well into 2024.
- In December 2022, Veris, PAVmed's digital health subsidiary, focused on enhancing personalized cancer care through remote patient monitoring (RPM), commercially launching its Veris Cancer Care Platform™ ("Veris CCP"), and executing its first commercial contract with New Jersey Cancer Care, PA ("NJCC"), a leading oncology practice and member of the prestigious [Quality Cancer Care Alliance](#).
- In February 2023, the Veris Cancer Care Platform™ (Veris CCP) went live following successful onboarding of the first cohort of cancer patients and their clinicians. Enrolled patients received a VerisBox™ and began connecting their Bluetooth-enabled health care devices to transmit real-time physiologic data to the cloud-based Veris CCP clinician portal. The patients also began reporting symptoms and quality-of-life parameters through the Veris CCP patient smartphone app, which became available for patients on the [Apple App Store](#) and [Google Play](#). The cloud-based clinician portal was integrated into the oncology practice and the cancer care team began using it to review physiologic and clinical data and other RPM services for which they can bill. The software-as-a-service recurring-revenue business model is now poised to deliver near-term value at attractive margins to both Veris and its clients.
- Veris is now focused on optimizing the patient and clinician experience, achieving high patient compliance, and streamlining the integration processes as its commercial team drives adoption and delivers new accounts. Feedback and interest in Veris CCP from oncology practices and cancer care centers is strong, focusing on Veris CCP as tool to enhance personalized care and as well as practice economics through RPM.
- Veris has made steady progress on development and regulatory milestones for its implantable physiologic monitor and is targeting a commercial launch next year. The device, which is designed to be implanted in conjunction with a chemotherapy vascular access port, will further the power of the Veris CCP platform by assuring near perfect patient compliance with RPM data reporting requirements.
- Yesterday, Lucid provided a detailed update of its commercial and financial performance. Quarterly EsoGuard testing volume continues along a steady growth path, both sequentially and annually. Satellite Lucid Test Center (sLTC) activity, whereby Lucid clinicians collect samples at physician offices, continues to increase rapidly, with Lucid clinicians now performing the majority of cell collection procedures either in an LTC or sLTC.
- Lucid's commercial payor engagement is accelerating, particularly with its signing of an in-network agreement with MultiPlan®, the largest secondary Preferred Provider Organization (PPO), expanding EsoGuard's access to include Multiplan's estimated 60 million consumers. EsoGuard pricing is holding, with in-network contracts, averaging more than \$2000 per test and all in-network PPO contracts priced at or above the Medicare payment rate of \$1938. Key drivers of future in-network commercial payor contracting—generating claims history with individual payors and collecting retrospective and prospective clinical utility data—are also progressing well.
- Lucid continues to expand its commercial horizons bringing EsoGuard testing directly to at-risk patients at high-volume testing day events and launching a direct contracting strategic initiative to engage directly with large Administrative Services Only (ASO) self-insured employers, unions, and other entities.

Source: Company reports.

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

 Source: <https://bigcharts.marketwatch.com/>
Exhibit 17: Consensus Expectations (as of March 14, 2023)

	Revenue (mil)			EPS	
	2022E	2023E		2022E	2023E
Q1 Mar	\$0.2A	\$0.7E	Q1 Mar	\$(0.14)A	\$(0.22)E
Q2 Jun	\$0.0A		Q2 Jun	\$(0.17)A	
Q3 Sep	\$0.1A		Q3 Sep	\$(0.15)A	
Q4 Dec	\$0.3E		Q4 Dec	\$(0.25)E	
Total	\$0.5E	\$7.7E	Total	\$(1.04)E	\$(0.87)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	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	0.0	0.0	0.2	0.3	0.5	0.2	0.0	0.1	0.1	0.4	0.2	0.4	2.0	5.9	8.5	2.5	3.5	5.0	6.0	17.0
Cost of Revenues	0.0	0.0	0.1	0.4	0.6	0.4	0.0	1.6	1.6	3.6	0.1	0.1	0.6	1.8	2.6	0.8	1.1	1.5	1.8	5.1
Gross Profit	0.0	0.0	0.1	(0.1)	(0.1)	(0.2)	0.0	(1.6)	(1.5)	(3.2)	0.1	0.3	1.4	4.1	6.0	1.8	2.5	3.5	4.2	11.9
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	4.5	4.5	4.5	18.0	5.0	5.0	5.0	5.0	20.0
General and administrative	3.4	6.7	6.0	9.5	25.6	9.4	11.8	10.3	9.5	41.0	8.0	8.0	8.0	8.0	32.0	8.5	8.5	8.5	8.5	34.0
Research and development	3.3	4.3	5.3	7.0	19.8	5.9	6.7	6.2	6.7	25.5	5.0	5.0	5.0	5.0	20.0	5.0	5.0	5.0	5.0	20.0
Restructuring and other					0.0			0.5	1.3	1.8					0.0					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	17.5	17.5	17.5	17.5	70.0	18.5	18.5	18.5	18.5	74.0
Operating income (loss)	(8.1)	(13.0)	(13.7)	(19.7)	(54.4)	(19.5)	(23.5)	(23.3)	(24.7)	(90.9)	(17.4)	(17.2)	(16.1)	(13.4)	(64.1)	(16.8)	(16.1)	(15.0)	(14.3)	(62.1)
Interest income (expense)					0.0	(0.1)	(0.5)	(0.5)	(0.2)	(1.3)	(0.7)	(1.2)	(1.2)	(1.2)	(4.1)	(1.2)	(1.2)	(1.2)	(1.2)	(4.6)
Other income (expense)	(1.4)	1.4	1.4	2.4	3.8	2.6	(1.6)	(2.4)	4.3	2.9	0.3	0.2	0.2	0.2	0.9	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)	(17.7)	(18.2)	(17.1)	(14.3)	(67.3)	(17.6)	(17.0)	(16.0)	(15.3)	(65.8)
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)	(9.5)	(11.5)	(12.3)	(17.3)	(50.6)	(16.9)	(25.6)	(26.2)	(20.5)	(89.3)	(17.7)	(18.2)	(17.1)	(14.3)	(67.3)	(17.6)	(17.0)	(16.0)	(15.3)	(65.8)
Nonrecurring/noncash adjustments	3.6	5.1	4.0	4.4	17.1	5.2	11.0	12.4	6.7	35.3	0.8	0.8	0.8	0.8	3.0	0.8	0.8	0.8	0.8	3.0
Net income (pro forma)	(6.0)	(6.4)	(8.3)	(12.9)	(33.6)	(11.7)	(14.6)	(13.8)	(13.8)	(53.9)	(17.0)	(17.4)	(16.3)	(13.6)	(64.3)	(16.9)	(16.3)	(15.2)	(14.5)	(62.8)
EBITDA	(9.4)	(11.5)	(12.2)	(17.1)	(50.1)	(16.7)	(24.7)	(24.9)	(18.8)	(85.1)	(11.5)	(11.3)	(10.2)	(7.5)	(40.4)	(10.8)	(10.1)	(9.1)	(8.4)	(38.5)
Shares, Basic	74.0	82.2	83.3	86.4	77.5	86.3	87.0	89.8	89.8	89.1	98.4	98.9	99.4	100.4	99.3	100.9	101.4	101.9	102.9	101.8
Shares, Diluted	74.0	82.2	83.3	86.4	77.5	86.3	87.0	89.8	89.8	89.1	98.4	98.9	99.4	100.4	99.3	100.9	101.4	101.9	102.9	101.8
EPS Basic (pro forma)	(\$0.08)	(\$0.08)	(\$0.10)	(\$0.15)	(\$0.43)	(\$0.14)	(\$0.17)	(\$0.15)	(\$0.15)	(\$0.61)	(\$0.17)	(\$0.18)	(\$0.16)	(\$0.14)	(\$0.65)	(\$0.17)	(\$0.16)	(\$0.15)	(\$0.14)	(\$0.62)
EPS Diluted (pro forma)	(\$0.08)	(\$0.08)	(\$0.10)	(\$0.15)	(\$0.43)	(\$0.14)	(\$0.17)	(\$0.15)	(\$0.15)	(\$0.61)	(\$0.17)	(\$0.18)	(\$0.16)	(\$0.14)	(\$0.65)	(\$0.17)	(\$0.16)	(\$0.15)	(\$0.14)	(\$0.62)
Margins																				
Gross margin			28%	-47%	-17%	-95%	#DIV/0!	-2039%	-1346%	-859%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%
Sales and marketing				1034%	1779%	2077%	#DIV/0!	6232%	5142%	5124%	2250%	1125%	225%	76%	212%	200%	143%	100%	83%	118%
General and administrative				3155%	5113%	4986%	#DIV/0!	13579%	8446%	10886%	4000%	2000%	400%	136%	376%	340%	243%	170%	142%	200%
Research and development				2323%	3969%	3139%	#DIV/0!	8161%	5958%	6776%	2500%	1250%	250%	85%	235%	200%	143%	100%	83%	118%
Operating margin	NM	NM	-6834%	-6559%	-10879%	-10296%	NM	-30675%	-22033%	-24119%	-8680%	-4305%	-805%	-227%	-754%	-670%	-459%	-300%	-238%	-365%
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%	-8867%	-4543%	-853%	-243%	-792%	-704%	-486%	-319%	-254%	-387%
Y/Y % change																				
Total Revenue																				
Gross margin																				
Sales and marketing						183%	148%	95%	86%	117%	15%	-8%	-5%	-22%	-7%	11%	11%	11%	11%	11%
General and administrative	51%	134%	106%	138%	113%	179%	76%	72%	0%	61%	-15%	-32%	-22%	-15%	-22%	6%	6%	6%	6%	6%
Research and development	26%	100%	103%	95%	81%	79%	58%	17%	-4%	29%	-16%	-26%	-19%	-25%	-22%	0%	0%	0%	0%	0%
Operating income (loss)	54%	159%	147%	160%	133%	141%	81%	71%	25%	67%	-11%	-27%	-31%	-46%	-30%	-4%	-7%	-7%	7%	-3%
Net income (loss)	-35%	104%	121%	96%	46%	78%	122%	113%	19%	76%	5%	-29%	-35%	-30%	-25%	-1%	-6%	-6%	6%	-2%
EPS Diluted (pro forma)	-22%	-17%	6%	23%	0%	69%	115%	55%	3%	40%	27%	5%	6%	-12%	7%	-3%	-9%	-9%	4%	-5%

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	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	48.5	43.2	37.3	77.3	64.7	65.2	56.8	39.7	51.6	37.8	26.4	16.4	3.1	(11.6)	(23.2)	(36.2)
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	0.1		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	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	2.0	3.1	4.1	5.2	6.2	5.7	5.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2
Total current assets	50.5	46.3	41.7	82.6	71.0	70.8	62.0	43.9	55.8	42.0	30.5	20.6	7.3	(7.4)	(19.0)	(32.1)
Property and equipment, net			0.5	1.6	2.1	2.3	2.4	2.5	2.0	2.8	2.4	3.2	4.0	7.0	7.8	10.8
Intangibles, net			0.0	2.0	7.6	4.5	4.0	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Deferred income tax									0.0	0.0	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	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2
Total assets	51.4	47.4	43.0	87.0	84.3	82.5	72.5	54.0	65.4	52.4	40.5	31.4	19.0	7.1	(3.6)	(13.7)
Liabilities and stockholders' equity																
Accounts payable	1.9	3.8	6.1	3.3	8.2	4.5	2.5	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Accrued expenses	1.1	1.6	1.7	4.3	3.5	2.9	2.9	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7
Deferred income tax									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.3				5.8	1.9	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Short term debt						29.5	35.5	33.7	33.7	33.7	33.7	33.7	33.7	33.7	33.7	33.7
Total current liabilities	3.3	5.3	7.8	7.6	17.5	38.9	41.9	41.2	41.2	41.2	41.2	41.2	41.2	41.2	41.2	41.2
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					2.1	2.2	2.0	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Long term debt									24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0
Total other liabilities	0.0	0.0	0.0	0.0	2.1	2.2	2.0	1.8	25.8	25.8	25.8	25.8	25.8	25.8	25.8	25.8
Preferred stock	2.6	2.5	2.4	2.4	2.5	2.6	2.6	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Common stock	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	5.3	10.4	15.6	20.8	26.0	31.1	36.3	41.5
Additional paid-in capital	145.4	149.7	154.1	198.1	199.7	201.3	214.3	216.1	216.1	216.1	216.1	216.1	216.1	216.1	216.1	216.1
Retained earnings	(97.8)	(109.3)	(121.6)	(138.9)	(155.8)	(181.4)	(207.6)	(228.2)	(245.9)	(264.1)	(281.1)	(295.5)	(313.1)	(330.1)	(346.0)	(361.3)
Treasury stock					(0.5)	(0.5)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Accumulated other comprehensive income									0.0	0.0	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	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6
Total stockholders' equity	48.0	42.0	35.2	79.4	64.7	41.4	28.6	10.9	(1.6)	(14.6)	(26.5)	(35.6)	(48.1)	(59.9)	(70.7)	(80.8)
Total stockholders' equity and liabil	51.4	47.4	43.0	87.0	84.3	82.5	72.5	54.0	65.4	52.4	40.5	31.4	19.0	7.1	(3.6)	(13.7)

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
Book & Cash Value (per share)	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Book Value per Share (diluted)	0.65	0.51	0.42	0.92	0.75	0.48	0.32	0.12	(0.02)	(0.15)	(0.27)	(0.36)	(0.48)	(0.59)	(0.69)	(0.78)
Cash per Share (diluted)	0.66	0.53	0.45	0.89	0.75	0.75	0.63	0.44	0.52	0.38	0.27	0.16	0.03	(0.11)	(0.23)	(0.35)
Net cash per Share (diluted)	0.66	0.53	0.45	0.89	0.75	0.41	0.24	0.07	(0.06)	(0.20)	(0.31)	(0.41)	(0.54)	(0.68)	(0.79)	(0.91)

Source: Company reports and Ascendant Capital Markets estimates

PAVmed Inc.

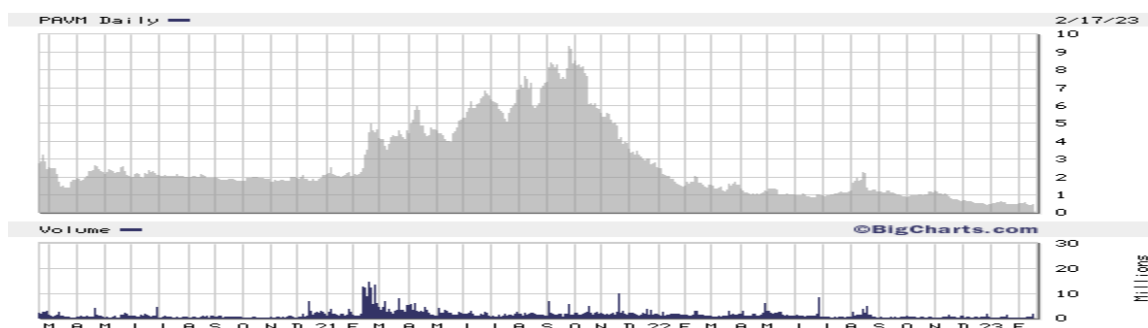
Cash Flow Statement (\$ mils)	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Cash flow from operating activities																					
Net income	(10.1)	(12.7)	(13.7)	(19.7)	(56.1)	(19.6)	(29.1)	(29.9)	(24.6)	(103.2)	(17.7)	(18.2)	(17.1)	(14.3)	(67.3)	(17.6)	(17.0)	(16.0)	(15.3)	(65.8)	
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	2.9	0.7	0.7	0.7	0.7	2.9	
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					0.0					0.0	
Stock comp	1.4	5.2	4.0	4.4	15.0	4.8	5.2	5.0	5.2	20.2	5.2	5.2	5.2	5.2	20.7	5.2	5.2	5.2	5.2	20.7	
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	(1.7)				(1.7)		2.0	(0.3)	(0.5)	1.3					0.0					0.0	
Writedowns and impairments	3.7				3.7		2.5	6.1	0.3	9.0					0.0					0.0	
Other gains/losses		(0.2)		0.0	(0.2)					0.0					0.0					0.0	
Other					0.0	0.2	(0.1)	0.0	0.0	0.1					0.0					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	
Prepaid expenses & other curre	(0.3)	(1.2)	(0.5)	(1.5)	(3.5)	(0.1)	(1.5)	1.1	1.0	0.4	0.0	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	(1.1)	1.7	2.3	(2.7)	0.2	3.9	(2.9)	(2.0)	0.2	(0.7)	0.0	0.0	0.0	0.0	0.0	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)	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	
Net cash (used in) provided by	(9.2)	(6.6)	(8.0)	(16.8)	(40.6)	(12.3)	(22.6)	(19.3)	(16.8)	(71.0)	(11.8)	(12.3)	(11.2)	(8.4)	(43.7)	(11.7)	(11.1)	(10.1)	(9.4)	(42.2)	
Cash flow from investing activities																					
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)	(0.3)	(1.5)	(0.3)	(1.5)	(3.7)	(1.5)	(3.7)	(1.5)	(3.7)	(10.4)	
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)					0.0					0.0	
Other					0.0					0.0					0.0					0.0	
Net cash used in investing activ	(0.0)	(0.2)	(0.1)	(3.4)	(3.7)	(0.6)	(2.6)	(1.3)	(0.3)	(4.7)	(0.3)	(1.5)	(0.3)	(1.5)	(3.7)	(1.5)	(3.7)	(1.5)	(3.7)	(10.4)	
Cash flow from financing activities																					
Issuance of debt					0.0		25.0	10.2		35.2	24.0	0.0	0.0	0.0	24.0	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	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	1.8	1.5	2.3	3.7	9.2	0.3	0.9	0.3	0.0	1.5					0.0					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	
Cash provided by (used in) fina	40.5	1.5	2.3	60.1	104.3	0.3	25.5	12.3	0.1	38.2	24.0	0.0	0.0	0.0	24.0	0.0	0.0	0.0	0.0	0.0	
Effect of exchange rate on cash					0.0					0.0					0.0					0.0	
Net increase (decrease) in cash	31.3	(5.3)	(5.9)	39.9	60.0	(12.5)	0.4	(8.4)	(17.0)	(37.5)	11.9	(13.8)	(11.5)	(10.0)	(23.4)	(13.2)	(14.8)	(11.6)	(13.0)	(52.6)	
Beginning cash and equivalents	17.3	48.5	43.2	37.3	17.3	77.3	64.7	65.2	56.8	77.3	39.7	51.6	37.8	26.4	39.7	16.4	3.1	(11.6)	(23.2)	16.4	
Ending cash and equivalents	48.5	43.2	37.3	77.3	77.3	64.7	65.2	56.8	39.7	39.7	51.6	37.8	26.4	16.4	16.4	3.1	(11.6)	(23.2)	(36.2)	(36.2)	

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

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Risks & Considerations

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 Distribution of Investment Ratings (as of January 15, 2023)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	44	98%	18	41%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	45	100%	18	40%

Other Important Disclosures

Our analysts use various valuation methodologies including discounted cash flow, price/earnings (P/E), enterprise value/EBITDAS, and P/E to growth rate, among others. Risks to our price targets include failure to achieve financial results, product risk, regulatory risk, general market conditions, and the risk of a change in economic conditions.

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