

# PAVmed Inc.

*Q3 about inline as Lucid continues large ramp up. Large opportunities for its product portfolio should drive stock much higher. Lowering P/T to \$8.25.*

**Q3 about inline:** PAVmed recently (on November 15) reported its Q3 2022 (ending September) results. Revenue was \$0.1 million, compared with our and consensus estimates of \$0.2 – 0.4 million. Pro forma net loss was \$13.8 million or EPS of \$(0.15), compared with our and consensus estimate of \$(0.26) – (0.27). There was no Q3 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 2022/23.

**EsoGuard growth:** Lucid processed 1,088 tests in Q3, up from Q2's 850, 533 in Q1, 303 in Q4 2021, 203 in Q3 2021, and 202 in Q2 2021. 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).

**Operating expenses:** Operating expenses were \$22 million, down from \$24 million in Q2 2022.

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

**Adjusting estimates:** We are adjusting our 2022 estimates for revenues to \$0.6 million, from \$4.2 million, and for EPS to \$(0.71) from \$(0.81).

**Lucid IPO completed in Q4 2021:** 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 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 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, with 3 more test centers by the end of 2022. Lucid sales team is now 37 (who mainly call on primary care and specialist physicians), and is expected to get to 58 early in 2023.

**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) clearance from the FDA in April 2020, though it is now focused on its new CarpX Ultrasound development.

**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.

**Veris Health to release software 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. Commercialization and software launch is expected to begin in late 2022.

**Balance sheet:** PAVmed has a solid balance sheet with \$57 million in cash and \$36 million in debt. With its recent up to \$50 million debt raise and its ATM, we believe the company has enough cash through 2023.

**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 \$8.25 from \$8.75 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.

## COMPANY UPDATE

**Rating: BUY**

Ticker: PAVM

Price: \$0.74  
(intraday)

Target: \$8.25  
(from \$8.75)

## Stock Data

Exchange:	NasdaqGS
52-week Range:	\$0.73 – 4.07
Shares Outstanding (million):	94
Market cap (\$million):	\$70
EV (\$million):	\$49
Debt (\$million):	\$36
Cash (\$million):	\$57
Avg. Daily Trading Vol. (\$million):	\$1
Float (million shares):	84
Short Interest (million shares):	6
Dividend, annual (yield):	\$0 (NA%)

## Revenues (US\$ million)

	2022E (Cur.)	2022E (Old)	2023E (Cur.)	2023E (Old)
Q1 Mar	0.2A		1.0E	4.0E
Q2 Jun	0.0A		2.0E	4.2E
Q3 Sep	0.1A	0.4E	4.0E	4.4E
Q4 Dec	0.4E	3.6E	6.0E	5.4E
<b>Total</b>	<b>0.6E</b>	<b>4.2E</b>	<b>13.0E</b>	<b>18.0E</b>
EV/Revs	82x		4x	

## Earnings per Share (pro forma)

	2022E (Cur.)	2022E (Old)	2023E (Cur.)	2023E (Old)
Q1 Mar	(0.14)A		(0.25)E	(0.24)E
Q2 Jun	(0.17)A		(0.25)E	(0.24)E
Q3 Sep	(0.15)A	(0.26)E	(0.23)E	
Q4 Dec	(0.25)E	(0.24)E	(0.21)E	(0.22)E
<b>Total</b>	<b>(0.71)E</b>	<b>(0.81)E</b>	<b>(0.94)E</b>	<b>(0.93)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**

*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.

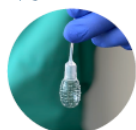
**Exhibit 3: PAVmed Products**



**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)**



**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%



**EsoGuard**  
esophageal DNA test

**EsoCheck**  
cell collection device

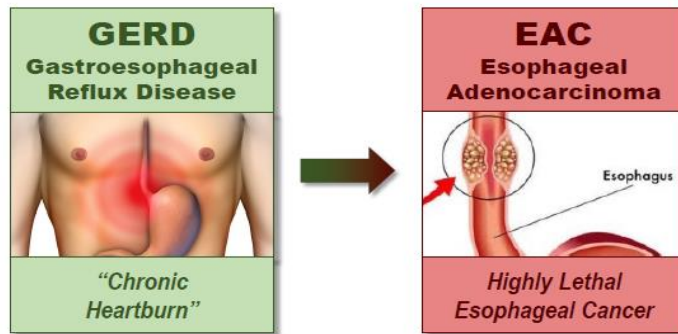



Source: Company reports.

Exhibit 6: Lucid Diagnostics



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



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



**EsoGuard**  
esophageal DNA test



**EsoCheck**  
cell collection device



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

**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.

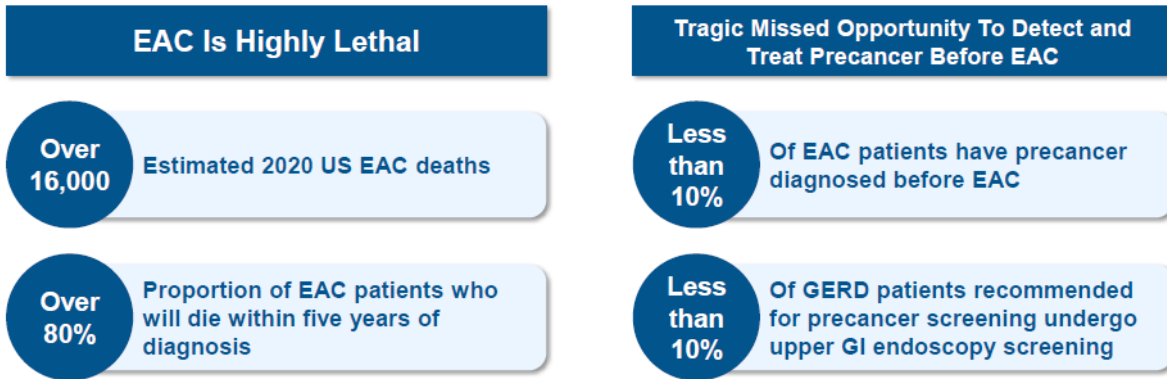
Exhibit 7: EsoCheck and EsoGuard Market Opportunity

## EAC Precancer Screening to Prevent EAC

Major unmet clinical need

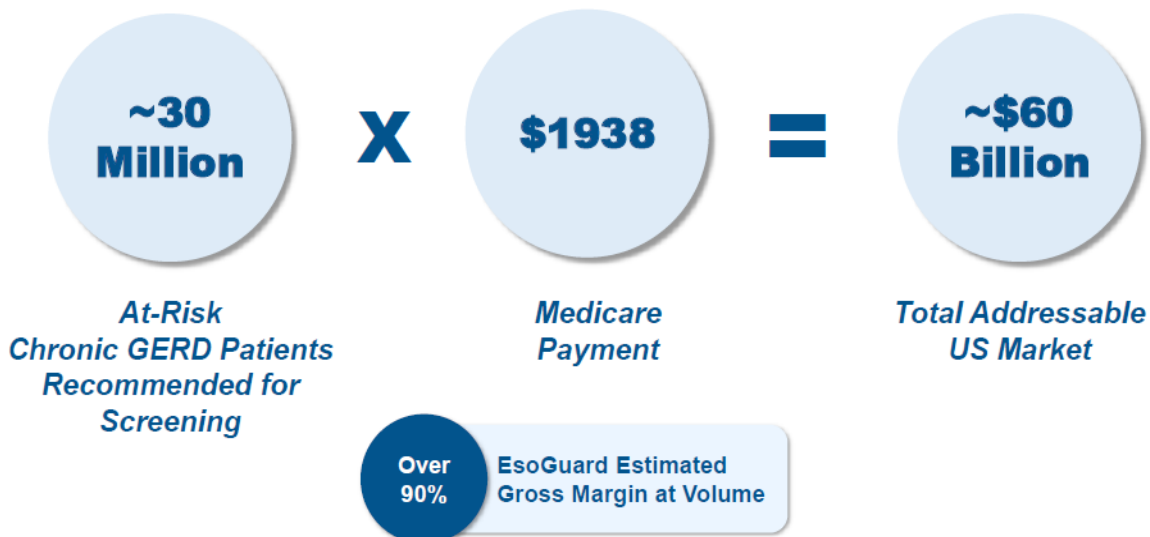
Necessary to prevent EAC deaths through early precancer detection

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



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

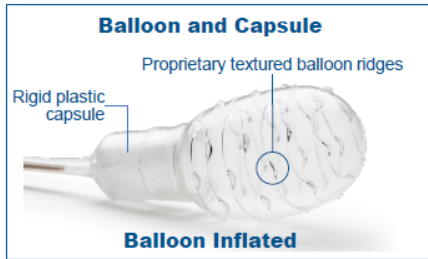
## EsoGuard Commercial Opportunity



Source: Company reports.

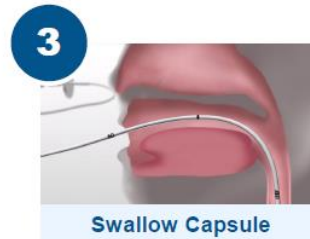
Exhibit 8: The EsoCheck Procedure

# 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

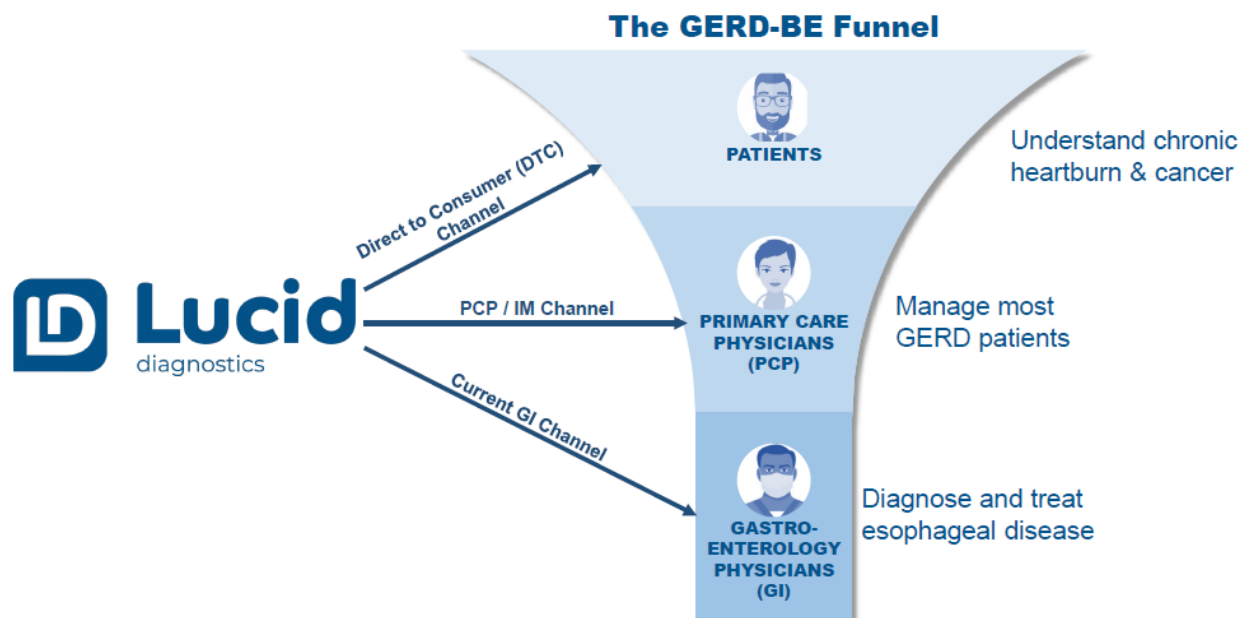
## EsoCheck Procedure Steps



Source: Company reports.

Exhibit 9: Lucid Growth Strategy

## Multichannel Commercial Strategy



## EsoGuard Sales Channels

		<b>PCP-LTC</b>	<b>SPEC-INST</b>
<b>ESOCHECK PROCEDURE</b>	<i>Locale</i>	Lucid Test Center (LTC)	Practice/Institution
	<i>Operator</i>	LTC NP	Nurse/NP/PA
<b>GOAL</b>		Order EsoGuard Test	Build EsoGuard Program
<b>CORE MESSAGE</b>		<ul style="list-style-type: none"> <li>Identify Precancer in at-risk GERD patients to prevent Esophageal Cancer</li> </ul>	<ul style="list-style-type: none"> <li>Drive referrals to practice or institution generating long-term patients with BE</li> <li>Downstream revenue opportunities (EGD, ablation, imaging, pH/manometry, surgery)</li> </ul>

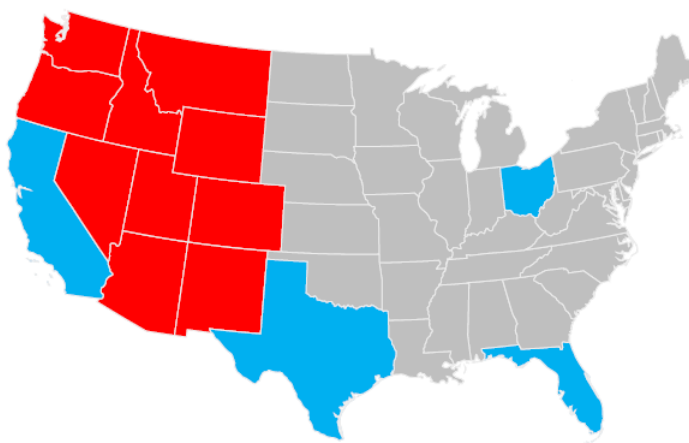
Source: Company reports.



**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 mailer, 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**



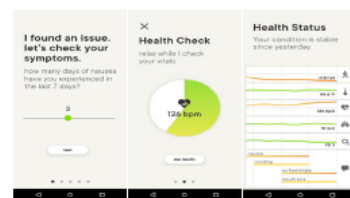
**Portio**

**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**

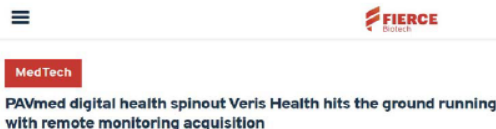


**Digital Cancer  
Care Platform &  
Intelligent Vascular Port**

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

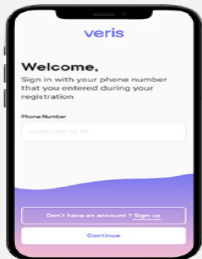
## Solution: Veris Health Platform

**DEVICE**



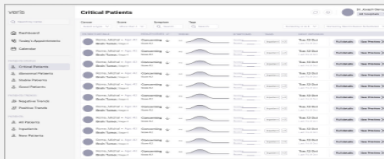
First intelligent implantable vascular access port

**SOFTWARE**



Patient mobile interface

**DATA**



Physician interface

### Veris Health Device

## First intelligent implantable vascular access port

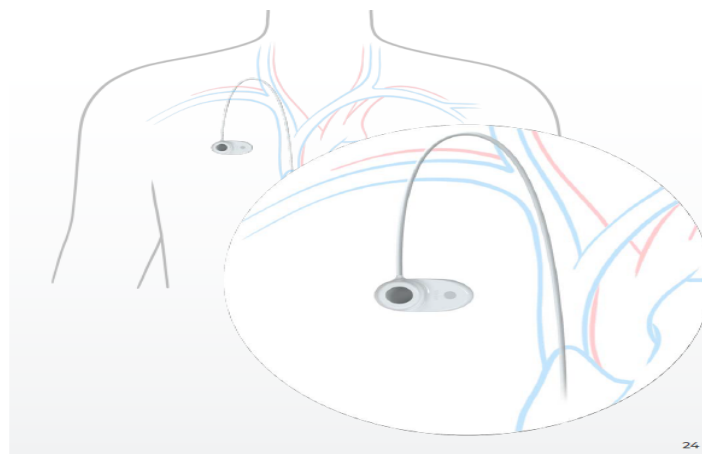
#### Uninterrupted Internal Physiologic Data

##### 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: Q3 2022 and Recent Business Highlights (as of November 15, 2022)

Highlights from the third quarter and recent weeks include:

- LucidDx Labs Inc. performed 1,088 commercial EsoGuard<sup>®</sup> Esophageal DNA Tests in the third quarter of 2022, which represents a 28% increase sequentially from the second quarter of 2022 and a 436% annual increase from the third quarter of 2021. During the quarter it began submitting held claims for tests performed since its February launch and began receiving some payments for claims during the quarter.
- Lucid expanded its sales team to 37 professionals, with a near-term target of 58 sales professionals early in the new year. It expanded its network of Lucid Test Centers to 13 centers in 11 states, with a near-term target of 16 centers by the end of the year.
- Lucid commenced production of its EsoCheck<sup>®</sup> Esophageal Cell Collection Devices (“EsoCheck”) at a high-volume manufacturer, which will decrease per-unit manufacturing costs by 60% and provide scalable manufacturing capacity.
- Veris completed software development work and is on target to commercially launch the Veris Cancer Care Platform with Bluetooth connected health devices by the end of this year. Sales infrastructure, including full software demos, along with customer integration infrastructure are in place.
- Portfolio of pre-commercial products — Veris Mercury implantable smart port, CarpX<sup>®</sup> Ultrasound and EsoCure<sup>®</sup> Esophageal Ablation Device — all progressing well through product development towards design freeze, testing and regulatory submission.
- PAVmed continues research development work on NextFlo<sup>®</sup> Intravenous Infusion set and PortIO<sup>®</sup> Implantable Intraosseous Vascular Access Device.

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 November 15, 2022)**

	Revenue (mil)			EPS	
	2022E	2023E		2022E	2023E
Q1 Mar	\$0.2A		Q1 Mar	\$(0.14)A	
Q2 Jun	\$0.0A		Q2 Jun	\$(0.17)A	
Q3 Sep	\$0.2E		Q3 Sep	\$(0.27)E	
Q4 Dec	\$1.4E		Q4 Dec	\$(0.28)E	
<b>Total</b>	<b>\$1.9E</b>	<b>\$11.0E</b>	<b>Total</b>	<b>\$(1.03)E</b>	<b>\$(1.01)E</b>

\*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	Q1A	Q2A	Q3A	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>0.2</b>	<b>0.0</b>	<b>0.1</b>	<b>0.4</b>	<b>0.6</b>	<b>1.0</b>	<b>2.0</b>	<b>4.0</b>	<b>6.0</b>	<b>13.0</b>
Cost of Revenues	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.4	0.6	0.4	0.0	1.6	0.1	2.1	0.3	0.6	1.2	1.8	3.9
Gross Profit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	(0.1)	(0.1)	(0.2)	0.0	(1.6)	0.2	(1.5)	0.7	1.4	2.8	4.2	9.1
Sales and marketing	0.4				0.4	1.4	2.0	2.4	3.1	8.9	3.9	4.9	4.7	5.5	19.1	5.5	5.5	5.5	5.5	22.0
General and administrative	2.2	2.9	2.9	4.0	12.0	3.4	6.7	6.0	9.5	25.6	9.4	11.8	10.3	11.0	42.6	12.0	12.0	12.0	12.0	48.0
Research and development	2.6	2.1	2.6	3.6	11.0	3.3	4.3	5.3	7.0	19.8	5.9	6.7	6.2	7.0	25.9	7.0	7.0	7.0	7.0	28.0
Restructuring and other					0.0					0.0					0.5					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	19.3	23.5	21.8	23.5	88.0	24.5	24.5	24.5	24.5	98.0
<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>(19.5)</b>	<b>(23.5)</b>	<b>(23.3)</b>	<b>(23.3)</b>	<b>(89.5)</b>	<b>(23.8)</b>	<b>(23.1)</b>	<b>(21.7)</b>	<b>(20.3)</b>	<b>(88.9)</b>
Interest income (expense)	(0.1)			(0.0)	(0.1)					0.0	(0.1)	(0.5)	(0.5)	(0.7)	(1.8)	(1.2)	(1.2)	(1.2)	(1.2)	(4.8)
Other income (expense)	(9.2)	(0.6)	(0.0)	(1.3)	(11.2)	(1.4)	1.4	1.4	2.4	3.8	2.6	(1.6)	(2.4)	0.0	(1.4)	0.3	0.2	0.2	0.2	0.9
Income before income taxes	(14.5)	(5.6)	(5.6)	(8.8)	(34.6)	(9.5)	(11.5)	(12.3)	(17.3)	(50.6)	(16.9)	(25.6)	(26.2)	(24.0)	(92.7)	(24.7)	(24.1)	(22.7)	(21.3)	(92.8)
Income taxes					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)	(16.9)	(25.6)	(26.2)	(24.0)	(92.7)	(24.7)	(24.1)	(22.7)	(21.3)	(92.8)
Nonrecurring/noncash adjustments	10.1	1.4	1.0	2.4	14.9	3.6	5.1	4.0	4.4	17.1	5.2	11.0	12.4	1.0	29.6	0.8	0.8	0.8	0.8	3.0
<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>(11.7)</b>	<b>(14.6)</b>	<b>(13.8)</b>	<b>(23.0)</b>	<b>(63.1)</b>	<b>(24.0)</b>	<b>(23.4)</b>	<b>(22.0)</b>	<b>(20.6)</b>	<b>(89.8)</b>
EBITDA	(14.4)		(5.5)	(8.7)	(34.2)	(9.4)	(11.5)	(12.2)	(17.1)	(50.1)	(16.7)	(24.7)	(24.9)	(17.6)	(84.0)	(18.1)	(17.4)	(16.0)	(14.6)	(66.3)
Shares, Basic	43.5	44.8	48.4	53.0	45.6	74.0	82.2	83.3	86.4	77.5	86.3	87.0	89.8	93.7	89.2	94.2	94.7	95.2	96.2	95.1
Shares, Diluted	43.5	44.8	48.4	53.0	45.6	74.0	82.2	83.3	86.4	77.5	86.3	87.0	89.8	93.7	89.2	94.2	94.7	95.2	96.2	95.1
EPS Basic (pro forma)	(\$0.10)	(\$0.09)	(\$0.09)	(\$0.12)	(\$0.43)	(\$0.08)	(\$0.08)	(\$0.10)	(\$0.15)	(\$0.43)	(\$0.14)	(\$0.17)	(\$0.15)	(\$0.25)	(\$0.71)	(\$0.25)	(\$0.25)	(\$0.23)	(\$0.21)	(\$0.94)
EPS Diluted (pro forma)	(\$0.10)	(\$0.09)	(\$0.09)	(\$0.12)	(\$0.43)	(\$0.08)	(\$0.08)	(\$0.10)	(\$0.15)	(\$0.43)	(\$0.14)	(\$0.17)	(\$0.15)	(\$0.25)	(\$0.71)	(\$0.25)	(\$0.25)	(\$0.23)	(\$0.21)	(\$0.94)
<b>Margins</b>																				
Gross margin								28%	-47%	-17%	-95%	#DIV/0!	-2039%	60%	-247%	70%	70%	70%	70%	70%
Sales and marketing									1034%	1779%	2077%	#DIV/0!	6232%	1571%	3099%	550%	275%	138%	92%	169%
General and administrative									3155%	5113%	4986%	#DIV/0!	13579%	3143%	6924%	1200%	600%	300%	200%	369%
Research and development									2323%	3969%	3139%	#DIV/0!	8161%	2000%	4207%	700%	350%	175%	117%	215%
Operating margin	NM	NM	NM	NM	NM	NM	NM	-6834%	-6559%	-10879%	-10296%	NM	-30675%	-6654%	#####	-2380%	-1155%	-543%	-338%	-684%
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%	-8963%	NM	-34470%	-6857%	#####	-2471%	-1206%	-568%	-355%	-714%
<b>Y/Y % change</b>																				
Total Revenue																				
Gross margin																				
Sales and marketing											183%	148%	95%	77%	114%	40%	12%	16%	0%	15%
General and administrative	32%	51%	69%	70%	57%	51%	134%	106%	138%	113%	179%	76%	72%	16%	67%	27%	1%	16%	9%	13%
Research and development	81%	52%	72%	59%	65%	26%	100%	103%	95%	81%	79%	58%	17%	0%	30%	18%	4%	13%	0%	8%
Operating income (loss)	262%	257%	264%	235%	252%	54%	159%	147%	160%	133%	141%	81%	71%	18%	65%	22%	-2%	-7%	-13%	-1%
Net income (loss)	663%	224%	289%	121%	281%	-35%	104%	121%	96%	46%	78%	122%	113%	39%	83%	46%	-6%	-13%	-11%	0%
EPS Diluted (pro forma)	240%	199%	192%	161%	104%	-22%	-17%	6%	23%	0%	69%	115%	55%	64%	63%	87%	47%	50%	-13%	33%

Source: Company reports and Ascendant Capital Markets estimates.

**PAVmed Inc.**

Balance Sheet (\$ mils)	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Assets</b>																
Cash and cash equivalents	8.7	7.1	8.3	17.3	48.5	43.2	37.3	77.3	64.7	65.2	56.8	63.1	43.7	23.6	6.2	(11.0)
Short term investments												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
Inventory								0.1				0.0	0.0	0.0	0.0	0.0
Deferred income taxes												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	6.2	5.7	5.2	5.2	5.2	5.2	5.2	5.2
Total current assets	9.4	8.2	9.8	18.9	50.5	46.3	41.7	82.6	71.0	70.8	62.0	68.3	48.9	28.8	11.4	(5.8)
Property and equipment, net							0.5	1.6	2.1	2.3	2.4	2.0	1.7	2.6	2.2	3.1
Intangibles, net							0.0	2.0	7.6	4.5	4.0	4.0	4.0	4.0	4.0	4.0
Deferred income tax												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	3.6	4.9	4.2	4.2	4.2	4.2	4.2	4.2
<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>84.3</b>	<b>82.5</b>	<b>72.5</b>	<b>78.4</b>	<b>58.7</b>	<b>39.5</b>	<b>21.7</b>	<b>5.4</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	8.2	4.5	2.5	2.5	2.5	2.5	2.5	2.5
Accrued expenses	1.5	1.5	1.5	2.3	1.1	1.6	1.7	4.3	3.5	2.9	2.9	2.9	2.9	2.9	2.9	2.9
Deferred income tax												0.0	0.0	0.0	0.0	0.0
Other		0.3	0.2	0.3	0.3				5.8	1.9	1.0	1.0	1.0	1.0	1.0	1.0
Short term debt	20.7	16.2	20.2	14.7						29.5	35.5	35.5	35.5	35.5	35.5	35.5
<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>17.5</b>	<b>38.9</b>	<b>41.9</b>	<b>41.9</b>	<b>41.9</b>	<b>41.9</b>	<b>41.9</b>	<b>41.9</b>
Deferred income taxes												0.0	0.0	0.0	0.0	0.0
Warrant liabilities												0.0	0.0	0.0	0.0	0.0
Other long term liabilities			0.1						2.1	2.2	2.0	2.0	2.0	2.0	2.0	2.0
Long term debt												25.0	25.0	25.0	25.0	25.0
<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>2.1</b>	<b>2.2</b>	<b>2.0</b>	<b>27.0</b>	<b>27.0</b>	<b>27.0</b>	<b>27.0</b>	<b>27.0</b>
Preferred stock	2.3	2.4	2.5	2.5	2.6	2.5	2.4	2.4	2.5	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Common stock	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	5.0	10.0	14.9	19.9	24.8
Additional paid-in capital	50.9	60.1	64.1	87.6	145.4	149.7	154.1	198.1	199.7	201.3	214.3	214.3	214.3	214.3	214.3	214.3
Retained earnings	(68.3)	(73.9)	(79.5)	(88.3)	(97.8)	(109.3)	(121.6)	(138.9)	(155.8)	(181.4)	(207.6)	(231.6)	(256.3)	(280.5)	(303.2)	(324.5)
Treasury stock									(0.5)	(0.5)	(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
Minority Interest	(1.2)	(1.5)	(1.9)	(2.4)	(2.2)	(0.9)	0.4	17.8	18.8	19.4	19.6	19.6	19.6	19.6	19.6	19.6
<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>64.7</b>	<b>41.4</b>	<b>28.6</b>	<b>9.5</b>	<b>(10.3)</b>	<b>(29.4)</b>	<b>(47.2)</b>	<b>(63.5)</b>
<b>Total stockholders' equity and liabil</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>84.3</b>	<b>82.5</b>	<b>72.5</b>	<b>78.4</b>	<b>58.7</b>	<b>39.5</b>	<b>21.7</b>	<b>5.4</b>

**Balance Sheet Drivers**

	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
<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	0.48	0.32	0.10	(0.11)	(0.31)	(0.50)	(0.66)
Cash per Share (diluted)	0.20	0.16	0.17	0.33	0.66	0.53	0.45	0.89	0.75	0.75	0.63	0.67	0.46	0.25	0.07	(0.11)
Net cash per Share (diluted)	(0.27)	(0.20)	(0.25)	0.05	0.66	0.53	0.45	0.89	0.75	0.41	0.24	0.03	(0.18)	(0.39)	(0.57)	(0.74)

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	Q1A	Q2A	Q3A	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)	(19.6)	(29.1)	(29.9)	(24.0)	(102.7)	(24.7)	(24.1)	(22.7)	(21.3)		(92.8)
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.9	0.7	0.7	2.4	0.7	0.7	0.7	0.7		2.8
Amortization					0.0		0.0	(0.0)	0.1	0.1	0.1	(0.1)	0.0		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	4.8	5.2	5.0	5.0	20.0	5.0	5.0	5.0	5.0		19.8
Deferred income taxes					0.0					0.0					0.0						0.0
Change in fair value of warrant l	8.0	(2.1)	(1.3)	0.7	5.3	(1.7)				(1.7)		2.0	(0.3)		1.7						0.0
Writedowns and impairments					0.0	3.7				3.7		2.5	6.1		8.6						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	0.2	(0.1)	0.0		0.1						0.0
<b>Changes in operating assets and liabilities:</b>																					
Accounts receivable								(0.2)		(0.2)	0.1	0.1	(0.0)		0.2						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)	(0.1)	(1.5)	1.1	0.0	(0.6)	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
Accounts payable	1.8	(0.5)	(0.4)	(0.4)	0.5	(1.1)	1.7	2.3	(2.7)	0.2	3.9	(2.9)	(2.0)	0.0	(1.0)	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	(1.8)	0.4	(0.0)	0.0	(1.3)	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
<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>(12.3)</b>	<b>(22.6)</b>	<b>(19.3)</b>	<b>(18.3)</b>	<b>(72.5)</b>	<b>(19.1)</b>	<b>(18.5)</b>	<b>(17.1)</b>	<b>(15.7)</b>		<b>(70.2)</b>
<b>Cash flow from investing activities</b>																					
Purchases of property and equip	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.1)	(0.0)	(1.3)	(1.5)	(0.6)	(0.4)	(0.3)	(0.4)	(1.6)	(0.4)	(1.6)	(0.4)	(1.6)		(3.9)
Purchases of short-term investments					0.0					0.0					0.0						0.0
Acquisitions					0.0		(0.0)	(0.1)	(2.1)	(2.2)		(2.2)	(1.0)		(3.2)						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>(0.6)</b>	<b>(2.6)</b>	<b>(1.3)</b>	<b>(0.4)</b>	<b>(4.8)</b>	<b>(0.4)</b>	<b>(1.6)</b>	<b>(0.4)</b>	<b>(1.6)</b>		<b>(3.9)</b>
<b>Cash flow from financing activities</b>																					
Issuance of debt	6.3	4.0	7.0		17.3					0.0		25.0	10.2	25.0	60.2	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)			0.0	(15.0)					0.0						0.0
Issuance of stock				15.9	15.9	53.7		56.3		110.0			1.8	0.0	1.8	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	0.3	0.9	0.3		1.5						0.0
Other					0.0				0.0	0.0		(0.4)			(0.4)						0.0
<u>Dividends and distributions</u>					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>0.3</b>	<b>25.5</b>	<b>12.3</b>	<b>25.0</b>	<b>63.1</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>(12.5)</b>	<b>0.4</b>	<b>(8.4)</b>	<b>6.3</b>	<b>(14.2)</b>	<b>(19.4)</b>	<b>(20.1)</b>	<b>(17.4)</b>	<b>(17.3)</b>		<b>(74.1)</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>64.7</b>	<b>65.2</b>	<b>56.8</b>	<b>77.3</b>	<b>63.1</b>	<b>43.7</b>	<b>23.6</b>	<b>6.2</b>		<b>63.1</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>64.7</b>	<b>65.2</b>	<b>56.8</b>	<b>63.1</b>	<b>63.1</b>	<b>43.7</b>	<b>23.6</b>	<b>6.2</b>	<b>(11.0)</b>		<b>(11.0)</b>

Source: Company reports and Ascendant Capital Markets estimates



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## PAVmed Inc.



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

Report	Report Date	Rating	Price 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

- Ascendant Capital Markets, LLC has received compensation for advisory or investment banking services from the company in the past 12 months.

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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 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 October 7, 2022)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	43	98%	17	40%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	44	100%	17	39%

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