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UPDATE REPORT

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Caladrius (NASDAQ/CLBS)

June 4, 2019

BUY: Enrollment Completed for ESCaPE-CMD

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Caladrius (CLBS) announced full enrollment in the n=20, two center, Phase 2 ESCaPE-CMD Trial for Coronary Microvascular Dysfunction. The primary endpoint will be measured at six months and will be the change from baseline of coronary flow reserve (CFR).

Investment Highlights

Enrollment Complete. Data in six months. The Phase 2 study is an interventional, open label, proof-of-concept (POC) trial conducted at two centers (Cedars-Sinai in Los Angeles, CA and the Mayo Clinic in Rochester, MN). The study is in n=20 patients diagnosed with CMD. Patients received CLBS16 via a routine intracoronary infusion. The endpoints (beyond safety) include the changes from baseline to six months for coronary flow reserve, or CFR (a direct measure of microvascular function), endothelial-dependent microvascular function, time to angina and other cardiovascular metrics.

Early Data Looks Good. Caladrius discussed the preliminary results from the first 30% of the patients to complete the six-month follow-up on their recent earnings call. "Results were highly promising with evidence that improved CFR is associated with symptomatic improvement".

Catalysts and Cash. Caladrius ended 1Q19 with $38M in cash versus a burn rate of $4.4M in the quarter. We combine this with data coming around two key programs, Coronary Microvascular Dysfunction – CMD and Critical Limb Ischemia (CLI) and we see an opportunity on good data for the company to commercialize its CD34 cell therapy product line.

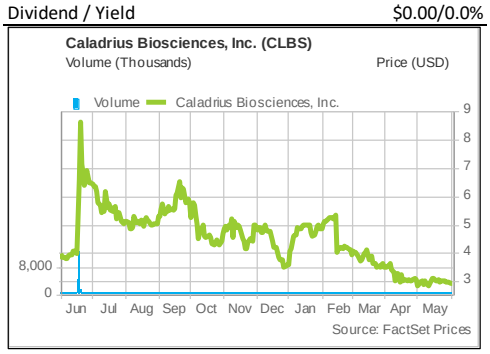
Valuation. For Caladrius as an early stage biotechnology company with no revenues, we use our highest discount rate of 30% in our free cash flow to the firm (FCFF), discounted EPS and Sum of the parts (SOP) models. Our models go out ten years to 2029, and we project dilutions. Caladrius currently has just under 10 million shares outstanding. We assume by 2029 a fully diluted share count of 73M shares. We triangulate FCFF, discounted EPS (2022), and sum-of-the-parts models. We then average and equally weight each model to derive an NPV, which is rounded to the nearest whole number to set our target price. Investors should recognize that this modeling exercise, which models forward for ten years, while projected based on the current data and estimates, is limited in its ability to predict a 12-month target. The price of the stock will ultimately be driven near term by factors such as news flow, early trial data, and cyclic concerns of financings (dilution). Please see our valuation metrics on the pages that follow.

Risk Analysis: Clinical and regulatory risk, Commercial risk, Employee risk, Financial risk, Intellectual property risk, Reimbursement and insurance payment risk.

Current Price	**$2.92**
Price Target	**$7.00**

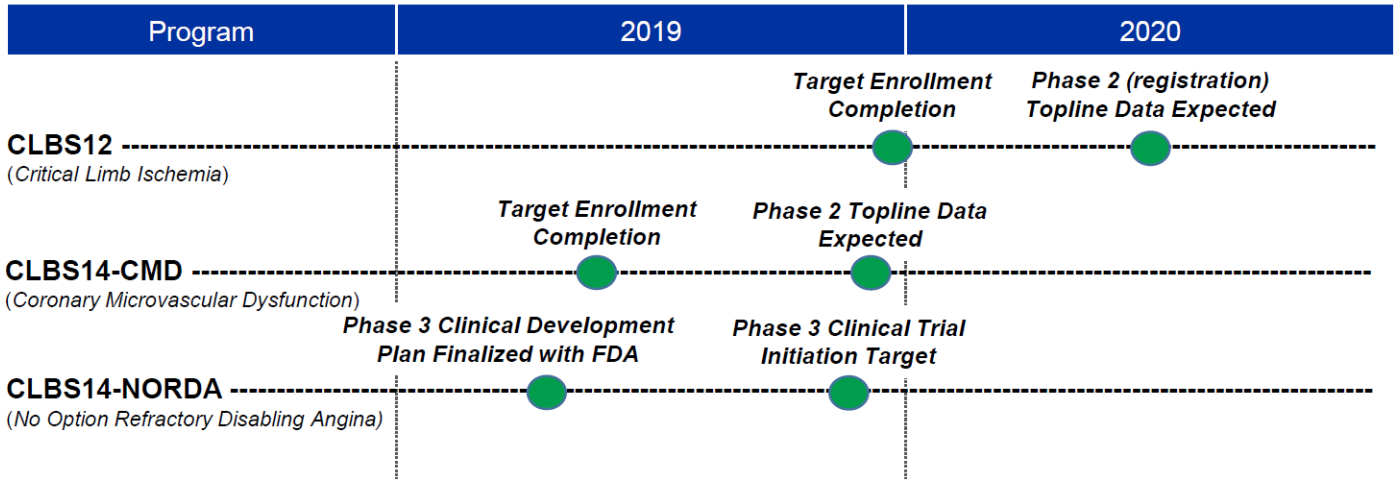
Estimates	F2018A	F2019E	F2020E
Expenses ($000s)	$ 16,987	$ 19,167	$ 25,366
1Q March	$ 5,159	$ 4,592	$ 5,580
2Q June	$ 4,269	$ 4,485	$ 6,088
3Q September	$ 3,763	$ 4,858	$ 6,595
4Q December	$ 3,796	$ 5,232	$ 7,102
	F2018A	F2019E	F2020E
EPS (diluted)	$ (1.67)	$ (1.18)	$ (0.54)
1Q March	$ (0.52)	$ (0.44)	$ (0.12)
2Q June	$ (0.43)	$ (0.43)	$ (0.13)
3Q September	$ (0.36)	$ (0.15)	$ (0.14)
4Q December	$ (0.36)	$ (0.17)	$ (0.15)
EBITDA/Share	($1.67)	($0.17)	($0.15)
EV/EBITDA (x)	-	-7	-75

Stock Data	
52-Week Range	$2.77 - $11.65
Shares Outstanding (mil.)	10.4
Market Capitalization (mil.)	$30
Enterprise Value (mil.)	-$11
Debt to Capital	5%
Book Value/Share	$5.33
Price/Book	0.9
Average Three Months Trading Volume (K)	19
Insider Ownership	11.7%
Institutional Ownership	18.6%
Short interest (mil.)	0.4%
Dividend / Yield	$0.00/0.0%



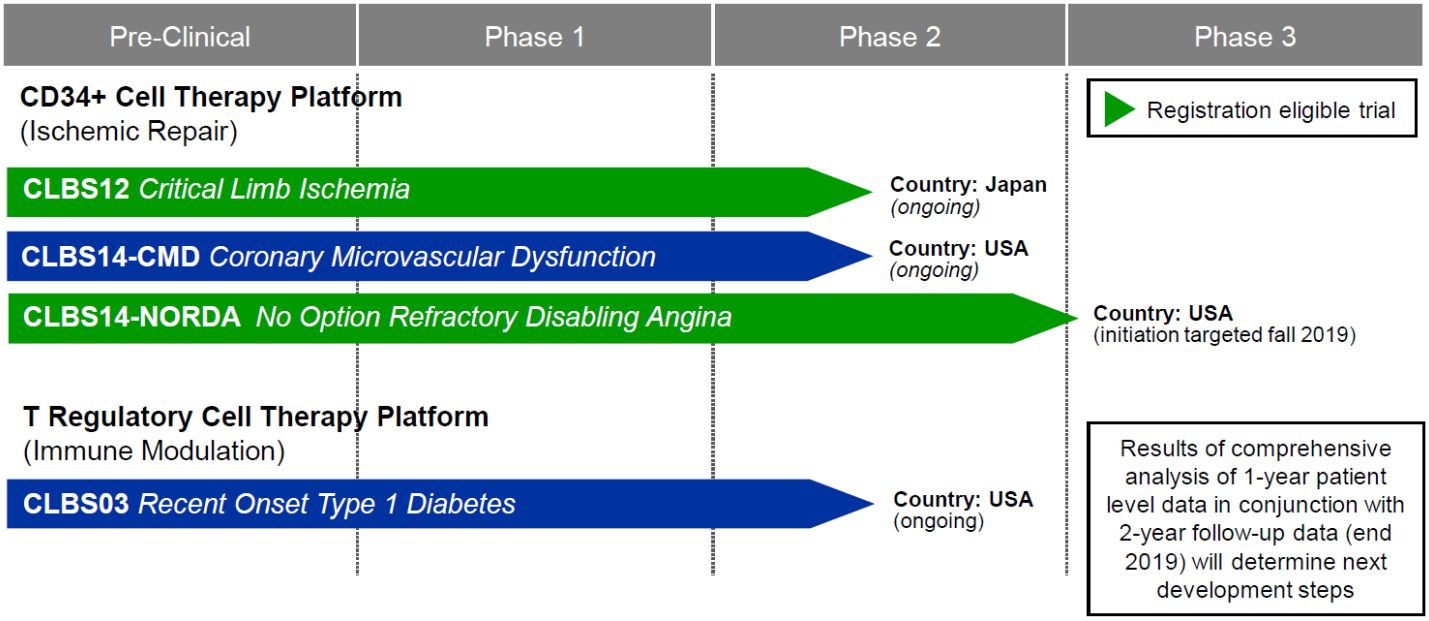
Update - June 4, 2019 - Buy - Price Target $7.00

Exhibit 1. Milestones and Catalysts for Caladrius



Source: Caladrius

Exhibit 2. Caladrius Proposed Pipeline.



Source: Caladrius

Modeling Assumptions

We model CLI, Microvascular Dysfunction and No Option Refractory Disabling Angina (NORDA) in Japan, the U.S. and in Europe and apply probability of success estimates to each indication in each country.

Critical Limb Ischemia (CLI)

1. CLI in Japan. We assume that the CLI indication is approved in Japan and commercialized by 2021 at a price equivalent of $30k per treatment, which could prove conservative. We estimate the market share as modest initially and at peak reaching 28% by 2029. We assign our highest success probability (among all the indications and countries) to CLI in Japan of 60%. This is based on our belief that with efficacy and new Japanese regulations Caladrius could see a rapid approval.
2. CLI in the U.S. and Europe. Here we assume a longer time line to the market, 2025 for the U.S., and 2016 for Europe with just a 15% probability of success. We caveat this assumption with the idea, that Caladrius may receive RMAT designation, setting the stage for a modest N=150 patient Phase 2/3 CLI trial which could create a more accelerated path to the marketplace. For now, for purposes of conservatism, we do not assume such. We also assume a much lower probability of success for CLI in the U.S. based on a combination of factors including the long history of failed CLI trials in the states and the fact that Caladrius U.S. and European focus is really on Coronary Microvascular Dysfunction and NORDA. We expect CLI to be staged behind these programs, but that could change. As such we heavily discount CLI's U.S. and EU impact on Caladrius' valuation.

Coronary Microvascular Dysfunction (CMD)

1. We estimate that U.S. approval in CMD is possible by 2024, Europe by 2026, and Japan first by 2023 although Japan represents the smallest of the three markets (but still large at an estimated prevalence of 1M patients) versus the U.S. at over 8M and Europe at 6M patients.
2. We assume Japanese pricing of just $20k per treatment (fewer cells versus other indications such as CLI) however this may change, followed by U.S. pricing of 25k and for Europe an assumed price of $24k. We assume just a 15% probability of approval in CMD in Europe and the U.S., but in Japan, we increase that to 40% since MOHW will be familiar with the therapy through the CLI indication.

No Option Refractory Disabling Angina (NORDA)

1. We estimate that U.S. approval in NORDA could arrive by 2023. This is a smaller niche market versus CLI or CMD but still substantial at a prevalence of 90k patients. We anticipate a higher price of $100k per therapy course. We assume a modest market share at just 6% by 2029 and a 15% probability of success with similar assumptions for Europe. For Japan, we see an even smaller market, 30k annual patients. We maintain a 15% probability of success and similar market share assumptions in Japan too. We see Japan as a fast follower for NORDA.

Exhibit 3. Therapeutic (Product) Models

Japan CLI Target Market	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
51K "No Option" CLI at baseline:	51,000	51,510	51,510	51,510	51,510	50,995	50,485	49,980	49,480	48,985	48,496	48,011
Market Size Growth (Annual)	1.0%	0.0%	0.0%	0.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%
% with Tissue Loss	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
CLI Patients with Tissue Loss (subset of No Options)	25,500	25,755	25,755	25,755	25,755	25,497	25,242	24,990	24,740	24,493	24,248	24,005
% viable for Therapy (insurance, co-morbidities) et al	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
CLI Target Patient Population	20,400	20,604	20,604	20,604	20,604	20,398	20,194	19,992	19,792	19,594	19,398	19,204
Market Share Penetration	0%	0%	0%	3%	5%	8%	14%	18%	24%	26%	27%	28%
Price Per Procedure	$ 30,000	30,300	30,603	30,909	31,218	31,530	31,846	31,527	31,212	30,900	30,591	30,285
Price Growth	1%	1%	1%	1%	1%	1%	-1%	-1%	-1%	-1%	-1%	-1%
Probability of Success	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
Annual Sales (M)	$ -	$ -	$ -	$ 11	$ 19	$ 31	$ 54	$ 68	$ 89	$ 94	$ 96	$ 98

Source: Dawson James

U.S.A. CLI Target Market	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
300K "No Option" CLI at baseline:	300,000	303,000	306,030	309,090	312,181	315,303	318,456	321,641	324,857	328,106	331,387	334,701
Market Size Growth (Annual)	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
% with Tissue Loss	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
CLI Patients with Tissue Loss (subset of No Options)	150,000	151,500	153,015	154,545	156,091	157,652	159,228	160,820	162,429	164,053	165,693	167,350
% viable for Therapy (insurance, co-morbidities) et al	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
CLI Target Patient Population	75,000	75,750	76,508	77,273	78,045	78,826	79,614	80,410	81,214	82,026	82,847	83,675
Market Share Penetration	0%	0%	0%	0%	0%	0%	0%	4%	5%	10%	15%	20%
Price Per Procedure	$ 50,000	50,500	51,005	51,515	52,030	52,551	53,076	53,607	54,143	54,684	55,231	55,783
Price Growth	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Probability of Success	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Annual Sales (M)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 26	$ 33	$ 67	$ 103	$ 140

Source: Dawson James

European CLI Target Market	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
560K "No Option" CLI at baseline:	560,000	565,600	571,256	576,969	582,738	588,566	594,451	600,396	606,400	612,464	618,588	624,774
Market Size Growth (Annual)	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
% with Tissue Loss	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
CLI Patients with Tissue Loss (subset of No Options)	280,000	282,800	285,628	288,484	291,369	294,283	297,226	300,198	303,200	306,232	309,294	312,387
% viable for Therapy (insurance, co-morbidities) et al	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
CLI Target Patient Population	140,000	141,400	142,814	144,242	145,685	147,141	148,613	150,099	151,600	153,116	154,647	156,194
Market Share Penetration	0%	0%	0%	0%	0%	0%	0%	0%	3%	6%	9%	12%
Price Per Procedure	$ 45,000	45,450	45,905	46,364	46,827	47,295	47,768	48,246	48,729	49,216	49,708	50,205
Price Growth	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Probability of Success	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Annual Sales (M)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 33	$ 68	$ 104	$ 141

Source: Dawson James

Japan Coronary Microvascular Dysfunction	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
Cardiovascular Disease Patients	1,000,000	1,010,000	1,020,100	1,030,301	1,040,604	1,051,010	1,061,520	1,072,135	1,082,857	1,093,685	1,104,622	1,115,668
Growth Rate - Incidence	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
CMD Patients Eligible for Treatment	750,000	757,500	765,075	772,726	780,453	788,258	796,140	804,102	812,143	820,264	828,467	836,751
Growth Rate - Incidence	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Qualified patients (EF, Consent, Insurance)	50%	50%	50%	50%	51%	51%	52%	52%	53%	53%	54%	54%
Change Rate in % who qualify					1%	1%	1%	1%	1%	1%	1%	1%
Viable Treatment Population	187,500	189,375	191,269	193,181	394,129	402,051	410,132	418,376	426,785	435,363	444,114	453,041
Market Share						1%	2%	3%	4%	5%	6%	6%
Treated Patients						4,021	8,203	12,551	17,071	21,768	26,647	27,182
Price of Therapy - (Annual 2% increase)						$20,000	$20,400	$20,808	$21,224	$21,649	$22,082	$22,523
Revenues (000)						$ 80,410	$ 167,334	$ 261,167	$ 362,326	$ 471,251	$ 588,406	$ 612,237
Probability of Success						40%	40%	40%	40%	40%	40%	40%
Annual Sales (M)	$ -	$ -	$ -	$ -	$ -	$ 32	$ 67	$ 104	$ 145	$ 189	$ 235	$ 245

Source: Dawson James

USA Coronary Microvascular Dysfunction	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
Cardiovascular Disease Patients	8,300,000	8,383,000	8,466,830	8,551,498	8,637,013	8,723,383	8,810,617	8,898,723	8,987,711	9,077,588	9,168,364	9,260,047
Growth Rate - Incidence	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
CMD Patients Eligible for Treatment	6,225,000	6,287,250	6,350,123	6,413,624	6,477,760	6,542,538	6,607,963	6,674,043	6,740,783	6,808,191	6,876,273	6,945,035
Growth Rate - Incidence	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Qualified patients (EF, Consent, Insurance)	25%	25%	25%	25%	25%	26%	26%	26%	26%	27%	27%	27%
Change Rate in % who qualify					1%	1%	1%	1%	1%	1%	1%	1%
Viable Treatment Population	1,556,250	1,571,813	1,587,531	1,603,406	1,635,634	1,668,511	1,702,048	1,736,259	1,771,158	1,806,758	1,843,074	1,880,120
Market Share						0%	1%	3%	4%	5%	6%	6%
Treated Patients						0	17,020	52,088	70,846	90,338	110,584	112,807
Price of Therapy - (Annual 2% increase)						$25,000	$25,500	$26,010	$26,530	$27,061	$27,602	$28,154
Revenues (000)						$ -	$ 434,022	$ 1,354,803	$ 1,879,567	$ 2,444,616	$ 3,052,354	$ 3,175,980
Probability of Success						15%	15%	15%	15%	15%	15%	15%
Annual Sales (M)	$ -	$ -	$ -	$ -	$ -	$ -	$ 65	$ 203	$ 282	$ 367	$ 458	$ 476

Source: Dawson James

Europe Coronary Microvascular Dysfunction	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
Cardiovascular Disease Patients	6,000,000	6,060,000	6,120,600	6,181,806	6,243,624	6,306,060	6,369,121	6,432,812	6,497,140	6,562,112	6,627,733	6,694,010
Growth Rate - Incidence	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
CMD Patients Eligible for Treatment	4,500,000	4,545,000	4,590,450	4,636,355	4,682,718	4,729,545	4,776,841	4,824,609	4,872,855	4,921,584	4,970,800	5,020,508
Growth Rate - Incidence	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Qualified patients (EF, Consent, Insurance)	25%	25%	25%	25%	25%	26%	26%	26%	26%	27%	27%	27%
Change Rate in % who qualify					1%	1%	1%	1%	1%	1%	1%	1%
Viable Treatment Population	1,125,000	1,136,250	1,147,613	1,159,089	1,182,386	1,206,152	1,230,396	1,255,127	1,280,355	1,306,090	1,332,342	1,359,123
Market Share						0%	0%	0%	1%	2%	3%	5%
Treated Patients						0	0	0	12,804	26,122	39,970	67,956
Price of Therapy - (Annual 2% increase)						$24,000	$24,480	$24,970	$25,469	$25,978	$26,498	$27,028
Revenues (000)						$ -	$ -	$ -	$ 326,093	$ 678,602	$ 1,059,130	$ 1,836,711
Probability of Success						15%	15%	15%	15%	15%	15%	15%
Annual Sales (M)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 49	$ 102	$ 159	$ 276

Source: Dawson James

Japan NORDA	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
Cardiovascular Disease Patients	30,000	30,300	30,603	30,909	31,218	31,530	31,846	32,164	32,486	32,811	33,139	33,470
Growth Rate - Incidence	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
NORDA Patients Eligible for Treatment	22,500	22,725	22,952	23,182	23,414	23,648	23,884	24,123	24,364	24,608	24,854	25,103
Growth Rate - Incidence	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Qualified patients (EF, Consent, Insurance)	75%	75%	75%	75%	76%	77%	77%	78%	79%	80%	80%	81%
Change Rate in % who qualify					1%	1%	1%	1%	1%	1%	1%	1%
Viable Treatment Population	5,625	5,681	5,738	5,795	17,736	18,092	18,456	18,827	19,205	19,591	19,985	20,387
Market Share						1%	2%	3%	4%	5%	6%	6%
Treated Patients						181	369	565	768	980	1,199	1,223
Price of Therapy - (Annual 2% increase)						$50,000	$51,000	$52,020	$53,060	$54,122	$55,204	$56,308
Revenues (000)						$ 9,046	$ 18,825	$ 29,381	$ 40,762	$ 53,016	$ 66,196	$ 68,877
Probability of Success						15%	15%	15%	15%	15%	15%	15%
Annual Sales (M)	$ -	$ -	$ -	$ -	$ -	$ 1	$ 3	$ 4	$ 6	$ 8	$ 10	$ 10

Source: Dawson James

USA NORDA	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
Cardiovascular Disease Patients	90,000	90,900	91,809	92,727	93,654	94,591	95,537	96,492	97,457	98,432	99,416	100,410
Growth Rate - Incidence	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
CMD Patients Eligible for Treatment	67,500	68,175	68,857	69,545	70,241	70,943	71,653	72,369	73,093	73,824	74,562	75,308
Growth Rate - Incidence	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Qualified patients (EF, Consent, Insurance)	75%	75%	75%	75%	76%	77%	77%	78%	79%	80%	80%	81%
Change Rate in % who qualify					1%	1%	1%	1%	1%	1%	1%	1%
Viable Treatment Population	16,875	17,044	17,214	17,386	53,207	54,277	55,368	56,481	57,616	58,774	59,955	61,161
Market Share						1%	2%	3%	4%	5%	6%	6%
Treated Patients						543	1,107	1,694	2,305	2,939	3,597	3,670
Price of Therapy - (Annual 2% increase)						$100,000	$102,000	$104,040	$106,121	$108,243	$110,408	$112,616
Revenues (000)						$ 54,277	$ 112,950	$ 176,288	$ 244,570	$ 318,095	$ 397,174	$ 413,260
Probability of Success						15%	15%	15%	15%	15%	15%	15%
Annual Sales (M)	$ -	$ -	$ -	$ -	$ -	$ 8	$ 17	$ 26	$ 37	$ 48	$ 60	$ 62

Source: Dawson James

Europe NORDA	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
Cardiovascular Disease Patients	50,000	50,500	51,005	51,515	52,030	52,551	53,076	53,607	54,143	54,684	55,231	55,783
Growth Rate - Incidence	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
CMD Patients Eligible for Treatment	37,500	37,875	38,254	38,636	39,023	39,413	39,807	40,205	40,607	41,013	41,423	41,838
Growth Rate - Incidence	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Qualified patients (EF, Consent, Insurance)	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Change Rate in % who qualify					1%	1%	1%	1%	1%	1%	1%	1%
Viable Treatment Population	9,375	9,469	9,563	9,659	29,267	29,560	29,855	30,154	30,455	30,760	31,067	31,378
Market Share						0%	0%	0%	1%	2%	3%	5%
Treated Patients						0	0	0	305	615	932	1,569
Price of Therapy - (Annual 2% increase)						$65,000	$66,300	$67,626	$68,979	$70,358	$71,765	$73,201
Revenues (000)						$ -	$ -	$ -	$ 21,008	$ 43,284	$ 66,887	$ 114,845
Probability of Success						15%	15%	15%	15%	15%	15%	15%
Annual Sales (M)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3	$ 6	$ 10	$ 17

Source: Dawson James

Valuation. For Caladrius as an early stage biotechnology company with no revenues, we use our highest discount rate of 30% in our free cash flow to the firm (FCFF), discounted EPS and Sum of the parts (SOP) models. Our models go out ten years to 2029, and we project dilutions. Caladrius currently has just under 10 million shares outstanding. We assume by 2029 a fully diluted share count of 73M shares. We triangulate FCFF, discounted EPS (2022), and sum-of-the-parts models. We then average and equally weight each model to derive an NPV, which is rounded to the nearest whole number to set our target price. Investors should recognize that this modeling exercise, which models forward for ten years, while projected based on the current data and estimates, is limited in its ability to predict a 12-month target. The price of the stock will ultimately be driven near term by factors such as news flow, early trial data, and cyclic concerns of financings (dilution).

Exhibit 4. Free Cash Flow Model.

Average	$	7

Price Target	$	9
Year		2019

DCF Valuation Using FCF (mln):

units ('000)	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
EBIT	(18,321)	(24,572)	(21,258)	(18,923)	10,391	96,769	241,964	405,909	594,136	799,458	970,160
Tax Rate	0%	0%	0%	0%	0%	0%	10%	18%	20%	25%	30%
EBIT(1-t)	(18,321)	(24,572)	(21,258)	(18,923)	10,391	96,769	217,768	332,845	475,309	599,593	679,112
CapEx											
Depreciation											
Change in NWC											
FCF	(18,321)	(24,572)	(21,258)	(18,923)	10,391	96,769	217,768	332,845	475,309	599,593	679,112
PV of FCF	(18,321)	(18,902)	(12,578)	(8,613)	3,638	26,063	45,116	53,044	58,268	56,541	49,262
Discount Rate	30%										
Long Term Growth Rate	1%										
Terminal Cash Flow	2,365,184										
Terminal Value YE2029	171,566										
NPV	405,085										
NPV-Debt	-										
Shares out (thousands)	46,768	2029E									
NPV Per Share	$ 9										
Source: Dawson James											

Source: Dawson James

Exhibit 5. Discounted-EPS Model.

Current Year		2019
Year of EPS		2029
Earnings Multiple		10
Discount Factor		30%
Selected Year EPS	$	9.23
NPV	$	7

Source: Dawson James

		Discount Rate and Earnings Multiple Varies, Year is Constant 2029 EPS					
Earnings Multiple	6.7	5%	10%	15%	20%	25%	30%
	0	**$0.00**	$0.00	$0.00	$0.00	$0.00	$ -
	5	$28.33	$17.79	$11.41	$7.45	$4.95	$ 3.35
	10	$56.66	$35.58	$22.81	$14.90	$9.91	$ 6.69
	15	$84.98	$53.37	$34.22	$22.36	$14.86	$ 10.04
	20	$113.31	$71.16	$45.62	$29.81	$19.82	$ 13.39
	25	$141.64	$88.95	$57.03	$37.26	$24.77	$ 16.74
	30	$169.97	$106.74	$68.44	$44.71	$29.73	$ 20.08
	35	$198.30	$124.53	$79.84	$52.17	$34.68	$ 23.43

Source: Dawson James

Exhibit 6. Sum-of-the-Parts Model.

	LT Gr	Discount Rate	Yrs. to Mkt	% Success	Peak Sales MM's	Term Val
CLI- Japan	1%	30%	4	60%	$163	$562
NPV						$0.63
CLI- USA	1%	30%	10	15%	$934	$3,219
NPV						$0.19
CLI- Europe	1%	30%	10	15%	$941	$3,245
NPV						$0.19
Coronary Microvascular Dysfunction USA	1%	30%	5	15%	$3,176	$10,952
NPV						$2.37
Coronary Microvascular Dysfunction Europe	1%	30%	7	15%	$1,837	$6,333
NPV						$0.81
Coronary Microvascular Dysfunction Japan	1%	30%	4	40%	$612	$2,111
NPV						$1.58
NORDA USA	1%	30%	4	15%	$413	$1,425
NPV						$0.40
NORDA Europe	1%	30%	6	15%	$115	$396
NPV						$0.07
NORDA Japan	1%	30%	4	15%	$69	$238
NPV						$0.07
Net Margin						25%
MM Shrs OS (2029E)						47
Total						$6

Source: Dawson James

Risk Analysis

Clinical and regulatory risk. Caladrius is currently in several Phase 2/3 clinical trials with its CD34 cell therapy product. There is no assurance that the product will be approved for any additional indications and even if approved, will be reimbursed by insurance or successfully commercialized.

Commercial risk. The focus of the company is on successfully developing their products and eventually bringing them to the market. It is important to note that the market opportunity in ischemic disease is large. However, we can make no assurances that the company will be able to achieve a critical level of market share to become profitable in any of the planned indications.

Employee risk. Caladrius has recently revamped the central components of the company, including senior management. Caladrius's success of the company will depend, to a great extent, upon the experience, abilities and continued services of its senior officers, sales staff, and key scientific personnel.

Financial risk. The company may need to raise capital in the marketplace, and there can be no assurances that the company will be able to successfully raise capital and do so on favorable terms.

Intellectual property risk. The company may have to defend its patents and technical know-how, and there can be no assurances that the patents will not be infringed or will be held as valid if challenged, and the company may infringe on third party's patents.

Reimbursement and insurance payment risk. Insurance payment for products may be an additional hurdle for adoption.

Exhibit 7. Income Statement

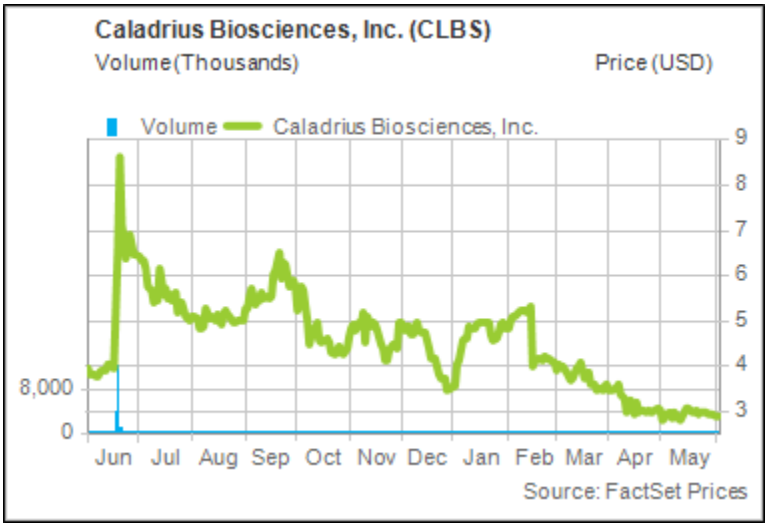
Caldrius Inc.: Income Statement ($000)																
YE December 31	2018A	1Q19A	2Q19E	3Q19E	4Q19E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
Product sales																
Cell Therapy - CLI Japan								11,463	19,297	30,871	54,020	68,072	88,956	94,451	96,132	97,709
Cell Therapy - CLI USA									-	-	-	25,863	32,979	67,283	102,954	140,031
Cell Therapy - CLI Europe									-	-	-	-	33,243	67,822	103,777	141,151
Cell Therapy - Coronary Microvascular Dysfunction USA									-	-	65,103	203,220	281,935	366,692	457,853	476,397
Cell Therapy - Coronary Microvascular Dysfunction Europe									-	-	-	-	48,914	101,790	158,869	275,507
Cell Therapy - Coronary Microvascular Dysfunction Japan									-	32,164	66,934	104,467	144,930	188,501	235,362	244,895
Cell Therapy - No Option Refractory Disabling Angina (NORDA) USA									-	8,142	16,943	26,443	36,686	47,714	59,576	61,989
Cell Therapy - No Option Refractory Disabling Angina (NORDA) Europe									-	-	-	-	3,151	6,493	10,033	17,227
Cell Therapy - No Option Refractory Disabling Angina (NORDA) Japan									-	1,357	2,824	4,407	6,114	7,952	9,929	10,332
Total Product Sales	-	-	-	-	-	-	-	11,463	19,297	63,035	186,056	401,622	676,908	948,698	1,234,486	1,465,236
Expenses																
Cost of Goods Sold - Products	-	-	-	-	-	-	-	4,012	6,561	23,936	61,747	138,391	209,841	284,610	358,001	410,266
% COGS (of product revenues)								35%	34%	38%	33%	34%	31%	30%	29%	28%
Research and Development	7,594	2,038	2,005	2,172	2,339	8,353	14,000	17,000	18,700	21,000	23,100	25,410	27,951	30,746	33,821	37,203
%R&D										68%	43%	37%	31%	33%	35%	38%
General and Administrative	9,393	2,554	2,480	2,686	2,893	10,332	11,366	12,502	13,752	18,000	25,000	27,500	34,000	40,000	44,000	48,400
%SG&A										58%	46%	40%	38%	42%	46%	50%
Total expenses	16,987	4,592	4,485	4,858	5,232	19,167	25,366	33,514	39,013	62,936	109,847	191,301	271,792	355,356	435,822	495,869
Operating Income (Loss)	(16,987)	(4,592)	(4,485)	(4,858)	(5,232)	(19,167)	(25,366)	(22,051)	(19,717)	9,598	95,976	241,171	405,115	593,343	798,664	969,367
Other expense	824	227	194	214	214	848	799	799	799	799	799	799	799	799	799	799
Interest expense	(5)		(2)	(0)	(0)	(2)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)
Total other income	819	227	192	214	214	846	793	793	793	793	793	793	793	793	793	793
Pretax Income	(16,168)	(4,365)	(4,293)	(4,645)	(5,018)	(18,321)	(24,572)	(21,258)	(18,923)	10,391	96,769	241,964	405,909	594,136	799,458	970,160
Income Tax Benefit (Provision)	-		-		-	-	-	-	-			24,196	73,064	118,827	199,864	291,048
Tax Rate												10%	18%	20%	25%	30%
Less: Loss from continuing operations attributable to noncontrolling interests	(1)	(2)														
GAAP Net Income (loss)	(16,168)	(4,367)	(4,293)	(4,645)	(5,018)	(18,321)	(24,572)	(21,258)	(18,923)	10,391	96,769	217,768	332,845	475,309	599,593	679,112
GAAP-EPS	(1.67)	(0.44)	(0.43)	(0.23)	(0.25)	(1.34)	(0.70)	(0.47)	(0.42)	0.23	2.11	5.24	7.20	10.24	12.87	14.52
GAAP EPS (dil)	(1.67)	(0.44)	(0.43)	(0.15)	(0.17)	(0.91)	(0.54)	(0.32)	(0.28)	0.15	1.40	3.12	4.70	6.63	8.25	9.23
Wgtd Avg Shrs (Bas) - '000s	9,689	10,027	10,037	20,047	20,067	15,045	35,140	45,296	45,477	45,659	45,842	46,026	46,210	46,395	46,581	46,768
Wgtd Avg Shrs (Dil) - '000s	9,689	10,027	10,037	30,047	30,348	20,115	45,720	66,345	67,210	68,086	68,973	69,872	70,783	71,706	72,640	73,587

Source: Dawson James estimates

Companies mentioned in this report:

Important Disclosures:

Price Chart:



Price target and rating changes over the past three years:
Initiated – Buy – February 27, 2019 – Price Target $7.0
Update – Buy – May 23, 2019 – Price Target $7.0
Update – Buy – June 4, 2019 – Price Target $7.0

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1) **Buy**: The analyst believes the price of the stock will appreciate and produce a total return of at least 20% over the next 12-18 months;
2) **Neutra**l: The analyst believes the price of the stock is fairly valued for the next 12-18 months;
3) **Sel**l: The analyst believes the price of the stock will decline by at least 20% over the next 12-18 months and should be sold.

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	Company Coverage		Investment Banking	
Ratings Distribution	# of Companies	% of Total	# of Companies	% of Totals
Market Outperform (Buy)	37	86%	10	27%
Market Perform (Neutral)	6	14%	0	0%
Market Underperform (Sell)	0	0%	0	0%
Total	43	100%	10	23%

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