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UPDATE REPORT

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BioCardia Inc. (BCDA-NASDAQ)

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BUY: Multiple Catalysts Ahead

1. *BCDA-01: Pre-specified Data Safety Monitoring board Review of all patients enrolled in the pivotal CardiAMP Autologous Cell Therapy heart failure trial, including futility analysis, based on sixty patients treated in 2019 that will have reached the primary one-year follow-up endpoint at the time of analysis*
2. *BCDA-02: First patient treated in activated pivotal CardiAMP Autologous Cell Therapy chronic myocardial ischemia trial.*
3. *BCDA-03: FDA acceptance of Phase I/II Investigational New Drug Application for Allogenic Neurokinin-1 Receptor Positive Mesenchymal Stem Cell Therapy, for the treatment of ischemic heart failure in those whose cell potency assay score is low.*
4. *BCDA-01, BCDA-02, and BCDA-03: Publication of clinical safety review paper on dedicated proprietary biotherapeutic delivery system.*
5. *BCDA-04: FDA acceptance of Phase I/II Investigational New Drug Application for Allogenic Neurokinin-1 Receptor Positive Mesenchymal Stem Cell Therapy for the treatment of Acute Respiratory Distress Syndrome as a result of COVID-19.*

Heart Disease – Treating the Underlying Issue. BioCardia strongly believes that stem cells have the power to change the course of cardiovascular disease. This may occur as a result of the trophic effects of these cells when administered directly into the local environment (heart muscle). The cells act like micro-drug factories secreting factors that help to reduce inflammation, reduce scarring, and promote micro-angiogenesis (formation of new blood supply to the tissue). In doing such, it is hoped in the case of an acute ischemic event that the cells can help limit the initial damage and, in the case of chronic disease, may help to arrest the damage, even reverse it partially.

Autologous vs. Allogeneic: BioCardia is developing treatment using both autologous and allogeneic cells. BioCardia developed a diagnostic assay to determine which treatment is best suited for each patient. Autologous stem cell therapy is the company's leading product, CardiAMP, which is currently in a pivotal Phase 3 trial. Through CardiAMP, the patient's own bone marrow is extracted and is directly administered to the patient's heart to allow the most efficacy. If a patient's CD34 cell count does not reach the requirement for CardiAMP, BioCardia can offer CardiALLO. CardiALLO stands out as an allogeneic stem cell therapy that is based on donated marrow. CardiALLO is designed to be a fast follower behind CardiAMP.

Valuation: Our product models run out to the year 2030. For CardiAMP and CardiALLO and all the related cardiac indications, each of which represent blockbuster markets, we haircut the revenues by 70% (assume only a 30% probability of success). In addition, in our free cash flow (FCFF), discounted EPS (EPS), and sum-of-the-parts (SOP) models, we apply a risk rate (r) of 30% on top of the 90% risk cut in our models. Our share count is projected for 2030 and assumes multiple raises. Our models are equal-weighted, averaged, and rounded to the nearest whole number to derive our 12-month price target of $24.00

Risks: Partnership risks, Commercialization risks, Financial risks, Clinical and Regulatory risks, and Legal and Intellectual Property risk.

Current Price	**$2.37**
Price Target	**$27.00**

Estimates	F2019A	F2020E	F2021E
Expenses ($000s)	$ 15,192	$ 16,562	$ 16,346
1Q March	$ 3,903	$ 4,647	$ 3,835
2Q June	$ 3,848	$ 3,812	$ 4,002
3Q September	$ 3,421	$ 3,972	$ 4,171
4Q December	$ 4,020	$ 4,131	$ 4,338
	F2019A	F2020E	F2021E
EPS (diluted)	$ (2.13)	$ (1.19)	$ (0.40)
1Q March	$ (0.08)	$ (0.67)	$ (0.11)
2Q June	$ (0.77)	$ (0.17)	$ (0.09)
3Q September	$ (0.63)	$ (0.17)	$ (0.09)
4Q December	$ (0.65)	$ (0.18)	$ (0.10)
EBITDA/Share	($0.96)	($0.88)	($0.40)
EV/EBITDA (x)	0.0	0.0	0.0

Stock Data	
52-Week Range	$2.01 - $6.75
Shares Outstanding (mil.)	12.4
Market Capitalization (mil.)	$29
Enterprise Value (mil.)	$29
Debt to Capital	0%
Book Value/Share	$2.62
Price/Book	0.9
Average Three Months Trading Volume (K)	127
Insider Ownership	35.4%
Institutional Ownership	9.8%
Short interest (mil.)	0.1%
Dividend / Yield	$0.00/0.0%

Heart Disease – Treating the Underlying Cause. BioCardia strongly believes that stem cells have the power to change the course of cardiovascular disease. This may occur as a result of the trophic effects of these cells when administered directly into the local environment (heart muscle). The cells act like micro-drug factories secreting factors that help to reduce inflammation, reduce scarring, and promote micro-angiogenesis (formation of new blood supply to the tissue). In doing such, it is hoped in the case of an acute ischemic event that the cells can help limit the initial damage and, in the case of chronic disease, may help to arrest the damage, even reverse it partially.

Autologous vs. Allogeneic: BioCardia is developing treatment using both autologous and allogeneic cells. BioCardia developed a diagnostic assay to determine which treatment is best suited for each patient. Autologous stem cell therapy is the company's leading product, CardiAMP, which is currently in a pivotal Phase 3 trial. Through CardiAMP, the patient's own bone marrow is extracted and is directly administered to the patient's heart to allow the most efficacy. If a patient's CD34 cell count does not reach the requirement for CardiAMP, BioCardia can offer CardiALLO. CardiALLO stands out as an allogeneic stem cell therapy that is based on donated marrow. CardiALLO is designed to be a fast follower behind CardiAMP.

What's New? As the company plans its next generation of cell therapy, it's building the science to develop a differentiated allogeneic product (marrow-based cells), in CardiALLO. The specific MSCs used in BioCardia's allogenic cell therapy are expanded from cells selected for the presence of the NK1 receptor, which is known to bind to substance P, an important neuropeptide associated with inflammation throughout the body and a primary mediator of inflammation in the airways. Preclinical data (N=26 animals), were treated with both low dose and high dose NK1R+ MSC, echocardiographic measures of cardiac ejection fraction, fractional shortening and cardiac outflow were meaningfully improved, with all three measures being statistically significant for both dosage levels over control animals.

Delivery Matters. One of the characteristics that differentiates BioCardia from competitors in the field is the way the cells are delivered. The cells are administered directly to the patient's heart through the use of their Helix Biotherapeutic Delivery System and the Morph steerable guide. The end result is that more cells stay where they are needed versus other systems where the majority of cells are washed away in the dynamic blood flow associated with the heart. BioCardia is talking more and more about its potency assay and the ability to determine in advance of therapy that cells are consistent and viable with its requirements.

Roughly $20B is spent per year for hospitalization costs. Following an operation done on a patient's heart, on average, they are in the hospital for three to four nights spending at least $10,000 a night. CardiAMP can allow the patient to be released the same day with anticipated savings for the system of up to $40,000 of unwanted hospital costs. Cell Therapy represents the ability to intervene in heart failure outside of treatment paradigms that exist today.

BioCardia is Assisted. The company is conducting numerous clinical trials in heart disease and specifically heart ischemia. Focusing on heart failure consumes a significant amount of a company's resources. BioCardia gets an extra hand as the Centers for Medicare & Medicaid Services (CMS) has funded the ongoing Phase 3 trial of CardiAMP cell therapy system in ischemic heart failure.

Autologous vs. Allogeneic: BioCardia is developing treatment using both autologous and allogeneic cells. BioCardia developed a diagnostic assay to determine which treatment is best suited for each patient. Autologous stem cell therapy is the company's leading product, CardiAMP, which is currently in a pivotal Phase 3 trial. Through CardiAMP, the patient's own bone marrow is extracted and is directly administered to the patient's heart to allow the most efficacy. If a patient's CD34 cell count does not reach the requirement for CardiAMP, BioCardia can offer CardiALLO. CardiALLO stands out as an allogeneic stem cell therapy that is based on donated marrow. CardiALLO is designed to be a fast follower behind CardiAMP.

Phase 3 Update: DSMB Says No Safety Issues – Recommends that the trial should continue: BioCardia announced that the independent Data Safety Monitoring board (DSMB) has completed its prespecified data review for the Phase 3 pivotal CardiAMP Heart Failure Trial, which included safety follow-up results on 35 patients and all additional data available on the 50 patients randomized in the trial as of the end of August. The DSMB indicated there were no safety concerns with the CardiAMP study results and recommended that the trial continue, as planned. The trial is an ongoing multi-center, double-blinded, randomized (3:2), sham-controlled pivotal CardiAMP Heart Failure Trial that is expected to enroll 260 patients at up to 40 centers nationwide. The trial's primary efficacy endpoint is Six Minute Walk distance at 12 months post-treatment, a measure of a patient's exercise capacity, and incorporates the impact of MACE and other clinically meaningful events. Secondary efficacy endpoints include quality of life as measured by the Minnesota Heart Failure Quality of Life self-assessment, and superiority relative to MACE and survival.

Product Modeling Assumptions

1. We base our market share estimates for BioCardia's therapies on multiple assumptions around the product attributes associated with product delivery and outcomes. Given the blockbuster size of the U.S. and EU HF markets we apply a 70% risk reduction to the net revenues, suggesting on success there is a lot of upside in our estimates.
2. We assume CardiAMP and CardiALLO will initially launch at $50,000 per operation. Our projected market share grows over the six-year launch cycle, with CardiAMP consuming up to 25% of the total market in the year 2028 and CardiALLO achieves a 15% share of the total market by the year 2030.
3. Based on BioCardia's estimation of completing enrollment of the pivotal Phase 3 trial of BCDA-01 in 2H20, we assume standard FDA review time of 10 months with the launch in 1Q22. We expect BCDA-02 to be a fast follower with approval and launch a year after BCDA-01, in 1Q23. To adjust for the risk of approval, we apply a 70% risk cut to our CardiAMP revenue model.
4. We expect that BCDA-03 (CardiALLO) could reach the market by 2027; however, for conservatism, we apply a therapeutic risk cut of 70% in our product model. This suggests that clinical progress could make our numbers too conservative.

Exhibit 1. Market Models:

BCDA-01 Heart Failure	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
U.S. Prevalance CHF	5,000,000	5,005,000	5,010,005	5,015,015	5,020,030	5,025,050	5,030,075	5,035,105	5,040,140	5,045,180	5,050,226	5,055,276
Market Size Growth (Annual)	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Candidates (Class II & III) for Therapy	500,000	500,500	501,001	501,502	502,003	502,505	503,008	503,511	504,014	504,518	505,023	505,528
Market Share Penetration	0.0%	0.0%	0.0%		1.0%	3.0%	6.0%	7.0%	8.0%	10.0%	14.0%	15.0%
Number of Patients Procedures	0	0	0	0	5,020	15,075	30,180	35,246	40,321	50,452	70,703	75,829
Cost of Therapy	$ 20,000	$ 20,040	$ 20,080	$ 20,120	$ 20,160	$ 20,201	$ 20,241	$ 20,282	$ 20,322	$ 20,363	$ 20,404	$ 20,444
Price Growth	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Probability of Success	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
U.S. Annual Sales (M)	$ -	$ -	$ -	$ -	$ 30	$ 91	$ 183	$ 214	$ 246	$ 308	$ 433	$ 465

BCDA-01 Heart Failure	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
E.U. Prevalance CHF	9,000,000	9,009,000	9,018,009	9,027,027	9,036,054	9,045,090	9,054,135	9,063,189	9,072,253	9,081,325	9,090,406	9,099,496
Market Size Growth (Annual)	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Candidates (Class II & III) for Therapy	900,000	900,900	901,801	902,703	903,605	904,509	905,414	906,319	907,225	908,132	909,041	909,950
Market Share Penetration	0.0%	0.0%	0.0%				1.0%	3.0%	5.0%	10.0%	12.0%	15.0%
Number of Patients Procedures	0	0	0	0	0	0	9,054	27,190	45,361	90,813	109,085	136,492
Cost of Therapy	$ 30,000	$ 30,060	$ 30,120	$ 30,180	$ 30,241	$ 30,301	$ 30,362	$ 30,423	$ 30,483	$ 30,544	$ 30,605	$ 30,667
Price Growth	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Probability of Success	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
U.S. Annual Sales (M)	$ -	$ -	$ -	$ -	$ -	$ -	$ 82	$ 248	$ 415	$ 832	$ 1,002	$ 1,256

BCDA-02 Heart Failure	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
U.S. Prevalance CHF	5,000,000	5,075,000	5,151,125	5,228,392	5,306,818	5,386,420	5,467,216	5,549,225	5,632,463	5,716,950	5,802,704	5,889,745
Market Size Growth (Annual)	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Candidates (Chronic Myocardial Ischemia) for Therapy	200,000	203,000	206,045	209,136	212,273	215,457	218,689	221,969	225,299	228,678	232,108	235,590
Market Share Penetration	0.0%	0.0%	0.0%	0.0%	2.0%	5.0%	10.0%	15.0%	20.0%	25.0%	25.0%	25.0%
Number of Patients Procedures	0	0	0	0	4,245	10,773	21,869	33,295	45,060	57,169	58,027	58,897
Cost of Therapy	$ 20,000	$ 20,040	$ 20,080	$ 20,120	$ 20,160	$ 20,201	$ 20,241	$ 20,282	$ 20,322	$ 20,363	$ 20,404	$ 20,444
Price Growth	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Probability of Success	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
U.S. Annual Sales (M)	$ -	$ -	$ -	$ -	$ 26	$ 65	$ 133	$ 203	$ 275	$ 349	$ 355	$ 361

BCDA-02 Heart Failure	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
E.U. Prevalance CHF	9,000,000	9,072,000	9,144,576	9,217,733	9,291,474	9,365,806	9,440,733	9,516,259	9,592,389	9,669,128	9,746,481	9,824,453
Market Size Growth (Annual)	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Candidates (Chronic Myocardial Ischemia) for Therapy	495,000	498,960	502,952	506,975	511,031	515,119	519,240	523,394	527,581	531,802	536,056	540,345
Market Share Penetration	0.0%	0.0%	0.0%	0.0%			2.0%	6.0%	10.0%	15.0%	20.0%	20.0%
Number of Patients Procedures	0	0	0	0	0	0	10,385	31,404	52,758	79,770	107,211	108,069
Cost of Therapy	$ 30,000	$ 30,060	$ 30,120	$ 30,180	$ 30,241	$ 30,301	$ 30,362	$ 30,423	$ 30,483	$ 30,544	$ 30,605	$ 30,667
Price Growth	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Probability of Success	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
U.S. Annual Sales (M)	$ -	$ -	$ -	$ -	$ -	$ -	$ 95	$ 287	$ 482	$ 731	$ 984	$ 994

BCDA-03 Heart Failure	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
U.S. Prevalance CHF	5,000,000	5,005,000	5,010,005	5,015,015	5,020,030	5,025,050	5,030,075	5,035,105	5,040,140	5,045,180	5,050,226	5,055,276
Market Size Growth (Annual)	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Candidates (Class II & III) for Therapy	150,000	150,150	150,300	150,450	150,601	150,752	150,902	151,053	151,204	151,355	151,507	151,658
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	5.0%	10.0%	15.0%
Number of Patients Procedures	0	0	0	0	0	0	0	0	3,024	7,568	15,151	22,749
Cost of Therapy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 22,500	$ 22,545	$ 22,590	$ 22,635
Price Growth	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Probability of Success	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
U.S. Annual Sales (M)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 20	$ 51	$ 103	$ 154

BCDA-03 Heart Failure	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
E.U. Prevalance CHF	9,000,000	9,009,000	9,018,009	9,027,027	9,036,054	9,045,090	9,054,135	9,063,189	9,072,253	9,081,325	9,090,406	9,099,496
Market Size Growth (Annual)	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Candidates (Class II & III) for Therapy	270,000	270,270	270,540	270,811	271,082	271,353	271,624	271,896	272,168	272,440	272,712	272,985
Market Share Penetration	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	5.0%	10.0%	15.0%
Number of Patients Procedures	0	0	0	0	0	0	0	0	5,443	13,622	27,271	40,948
Cost of Therapy			$ -	$ -	$ -	$ -	$ -	$ -	$ 29,500	$ 29,559	$ 29,618	$ 29,677
Price Growth	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Probability of Success	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
U.S. Annual Sales (M)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 48	$ 121	$ 242	$ 365

Source: Dawson James estimates

Valuation. We value BioCardia based on the revenues in our product models, which are reduced by a 70% rate cut or a 30% probability of success. This suggests we are leaving a lot of upside in our estimates on good data. We apply assumptions for FDA product approvals, launch dates, and product attributes to estimate revenues. These estimates feed into our income statement through the year 2030. Our price target is derived from an equal-weighted average of free cash flow (FCFF), discounted EPS (EPS), and sum-of-the-parts (SOP) models. For companies that are well established with mature products and revenues, we typically discount at a 10% rate, for companies in the early stages of product commercialization we typically use a higher rate, 15%. For BioCardia, we use a 30% risk rate as the company is not yet profitable. This risk rate is in addition to the therapeutic cut (70%) in our product models. The result of this methodology is a price target of $24.00 per share.

Exhibit 2. Discounted Free Cash Flow Model

	Average	$ 24

	Price Target	$ 23
	Year	2020

DCF Valuation Using FCF (mln):

units ('000)	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
EBIT	(14,709)	(15,544)	(15,189)	(27,353)	10,270	84,137	339,759	497,501	1,120,811	1,849,568	2,452,570	2,831,575
Tax Rate	0%	0%	0%	10%	18%	20%	24%	24%	24%	28%	30%	34%
EBIT(1-t)	(14,709)	(15,544)	(15,189)	(24,618)	8,422	67,309	258,217	378,101	851,816	1,331,689	1,716,799	1,868,839
CapEx												
Depreciation	78	22	-	-	-	-	-	-	-	-	-	-
Change in NWC												
FCF	(14,631)	(15,522)	(15,189)	(24,618)	8,422	67,309	258,217	378,101	851,816	1,331,689	1,716,799	1,868,839
PV of FCF	(6,660)	(5,435)	(4,091)	(5,100)	1,342	8,251	24,350	27,427	135,751	163,251	161,893	135,562
Discount Rate	30%											
Long Term Growth Rate	1%											
Terminal Cash Flow	6,508,717											
Terminal Value YE2030	472,130											
NPV	1,115,332											
NPV-Debt	1,016											
Shares out (thousands)	48,143	2030E										
NPV Per Share	$ 23											

Source: Dawson James estimates

Exhibit 3. EPS Model

	Current Year	2020
	Year of EPS	2030
	Earnings Multiple	10
	Discount Factor	30%
	Selected Year EPS	$ 38.82
	NPV	$ 28.00

Source: Dawson James estimates.

	Discount Rate and Earnings Multiple Varies, Year is Constant					
	2030 EPS					
Earnings Multiple	5%	10%	15%	20%	25%	30%
0	$0.00	$0.00	$0.00	$0.00	$0.00	$ -
5	$119.00	$75.00	$48.00	$31.00	$21.00	$ 14.00
10	$238.00	$150.00	$96.00	$63.00	$42.00	$ 28.00
15	$357.00	$224.00	$144.00	$94.00	$63.00	$ 42.00
20	$477.00	$299.00	$192.00	$125.00	$83.00	$ 56.00
25	$596.00	$374.00	$240.00	$157.00	$104.00	$ 70.00
30	$715.00	$449.00	$288.00	$188.00	$125.00	$ 84.00
35	$834.00	$524.00	$336.00	$219.00	$146.00	$ 99.00

Source: Dawson James estimates

Exhibit 4. Sum-of-the-Parts Model

BioCardia	LT Gr	Discount Rate	Yrs. to Mkt	% Success	Peak Sales MM's	Term Val
BCDA-01 CardiAMP cell therapy US	1%	30%	3	30%	$1,550	$5,346
NPV						$6.07
BCDA-01 CardiAMP cell therapy US	1%	30%	3	30%	$4,186	$14,434
NPV						$16.38
BCDA-02 CardiALLO cell therapy US	1%	30%	4	30%	$1,204	$4,152
NPV						$3.62
BCDA-02 CardiALLO cell therapy EU	1%	30%	4	30%	$3,314	$11,428
NPV						$9.97
BCDA-03 CardiALLO cell therapy US	1%	50%	5	30%	$515	$1,051
NPV						$0.34
BCDA-02 CardiALLO cell therapy EU	1%	50%	5	30%	$1,215	$2,480
NPV						$0.81
Net Margin						40%
MM Shrs OS (2030E)						48
Total						$21

Source: Dawson James estimates

Risk Analysis
In addition to the typical risks associated with development stage specialty pharmaceutical companies, potential risks specific to BioCardia are as follows:

Partnership risk. The company is also expected to make agreements with partners for additional products, but there can be no assurances that the company will be able to secure favorable partnerships.

Commercial risk. There are no assurances that the company will be able to achieve significant sales, market share, or become profitable.

Clinical and regulatory risk. Lead products need to complete clinical trials. It is difficult to complete enrollment which could lead to a delay of the trial. Trials may not produce the results expected from previous research or be sufficient for regulatory approval.

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 or do so at favorable terms.

Legal and 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 or that the company may infringe on third parties' patents.

Exhibit 5. Income Statement

Biocardia Inc: Income Statement ($000)																	
BCDA: YE December	**2018A**	**2019A**	**1Q20A**	**2Q20E**	**3Q20E**	**4Q20E**	**2020E**	**2021E**	**2022E**	**2023E**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
Net product revenue	282	300	5	76	82	85	315	331									
Collaboration agreement revenue	343	382	33	96	104	108	401	421									
BCDA-01 CardiaAMP Cell Therapy revenues US		0					0	0	0	30,362	91,359	183,267	214,453	245,825	308,203	432,780	465,085
BCDA-01 CardiaAMP Cell Therapy revenues EU									0	0	0	82,470	248,153	414,829	832,149	1,001,577	1,255,729
BCDA-02 CardiaAMP Cell Therapy revenues US										25,677	65,286	132,796	202,586	274,714	349,241	355,188	361,237
BCDA-02 CardiaAMP Cell Therapy revenues EU										-	-	94,590	28,661	482,474	730,959	984,374	994,234
BCDA-03 CardALLO Cell Therapy revenues US													-	20,413	51,185	102,677	154,477
BCDA-03 CardALLO Cell Therapy revenues EU	-												-	48,174	120,796	242,317	364,566
Total Product Sales	**625**	**599**	**38**	**172**	**186**	**193**	**716**	**752**	**-**	**56,039**	**156,645**	**493,123**	**693,853**	**1,486,428**	**2,392,533**	**3,118,913**	**3,595,329**
Product Sales & Royalties & Milestones	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**56,039**	**156,645**	**316,062**	**417,039**	**589,125**	**829,425**	**1,132,962**	**1,345,366**
Expenses																	
Cost of goods sold	517	543	4	52	56	58	169	226	0	14,010	39,161	118,349	159,586	327,014	502,432	623,783	719,066
			30%	30%	30%	30%	24%	30%	#DIV/0!	25%	25%	24%	23%	22%	21%	20%	20%
Research and Development	8,453	8,876	2,786	2,237	2,330	2,423	9,319	9,785	10,275	10,788	11,328	11,894	12,489	13,113	13,769	14,457	15,180
Selling, general and administrative	5,757	6,045	1,857	1,523	1,587	1,650	6,347	6,664	18,000	22,000	23,100	24,255	25,468	26,741	28,078	29,482	30,956
Total expenses	**14,727**	**15,192**	**4,647**	**3,812**	**3,972**	**4,131**	**16,562**	**16,346**	**27,709**	**46,142**	**72,901**	**153,776**	**196,784**	**366,072**	**543,442**	**666,843**	**764,280**
Operating income (Loss)	(14,102)	(14,593)	(4,609)	(3,640)	(3,786)	(3,938)	(15,846)	(15,595)	(27,709)	9,897	83,745	339,347	497,069	1,120,357	1,849,091	2,452,069	2,831,049
Interest expense																	
Interest Income	118	23	16														
Other expense	(3)	(1)	(1)														
Total other income	**115**	**(1)**	**(1)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Pretax Income	**(13,987)**	**(14,571)**	**(4,594)**	**(3,640)**	**(3,786)**	**(3,938)**	**(15,846)**	**(15,595)**	**(27,709)**	**9,897**	**83,745**	**339,347**	**497,069**	**1,120,357**	**1,849,091**	**2,452,069**	**2,831,049**
Income Tax Benefit (Provision)		-	-	-	-	-	-	-	(2,771)	1,781	16,749	81,443	119,297	268,886	517,745	735,621	962,557
Tax Rate	0%	0%	0%	0%	0%	0%	0%	0%	10%	18%	20%	24%	24%	24%	28%	30%	34%
GAAP Net Income (loss)	**(13,987)**	**(14,571)**	**(4,594)**	**(3,640)**	**(3,786)**	**(3,938)**	**(15,846)**	**(15,595)**	**(24,938)**	**8,115**	**66,996**	**257,904**	**377,772**	**851,471**	**1,331,346**	**1,716,449**	**1,868,492**
Deemed Dividend on Preferred Stock																	
GAAP-EPS	**(0.37)**	**(0.92)**	**(0.67)**	**(0.26)**	**(0.27)**	**(0.28)**	**(1.31)**	**(0.69)**	**(1.04)**	**0.34**	**2.77**	**10.61**	**15.49**	**34.77**	**54.14**	**69.52**	**75.38**
GAAP EPS (dil)	(0.37)	(0.96)	(0.67)	(0.17)	(0.17)	(0.18)	(0.88)	(0.40)	(0.59)	0.19	1.58	6.05	8.83	19.81	30.86	39.62	42.96
Weighted shares basic	38,285	15,761	6,832	13,839	13,853	13,866	12,097	22,662	24,007	24,103	24,200	24,297	24,394	24,492	24,590	24,688	24,787
Weighted shares dil	38,285	15,136	6,832	21,839	21,861	21,883	18,103	39,460	42,125	42,294	42,464	42,634	42,804	42,976	43,148	43,321	43,494

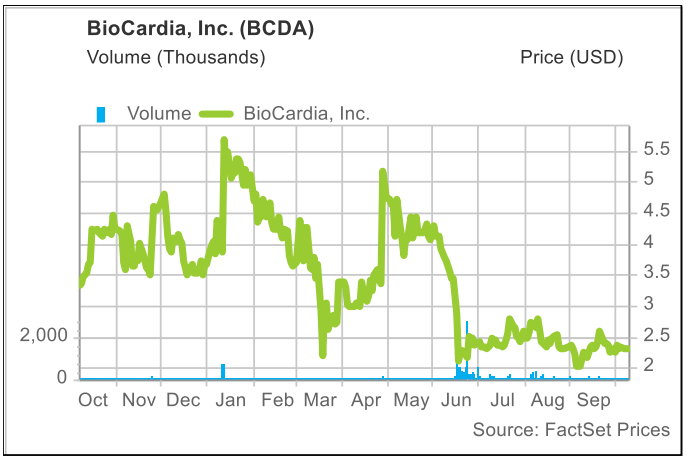
Source: Dawson James estimates, company reports

Companies mentioned in this report:

Bayer (BAYRY): Not Covered
Blue Rock Therapeutics (acquired by Bayer)
June (acquired by Celgene – CELG, Not Covered).
Sana Biotech (Private)

Important Disclosures:

Price Chart:



Price target and ratings changes over the past three years:
Initiated – Buy – September 17, 2019 – Price Target $24.00
Update – Buy – November 20, 2019 – Price Target $24.00
Update – Buy – February 18, 2020 – Price Target $24.00
Update – Buy – May 5, 2020 – Price Target $24.00
Update – Buy – July 7, 2020 – Price Target $24.00
Update – Buy – August 13, 2020 – Price Target $24.00
Update – Buy – October 9, 2020 – Price Target $24.00

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2) **Neutra**l: The analyst believes the price of the stock is fairly valued for the next 12-18 months;
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	Company Coverage		Investment Banking	
Ratings Distribution	# of Companies	% of Total	# of Companies	% of Totals
Market Outperform (Buy)	23	85%	4	17%
Market Perform (Neutral)	4	15%	1	25%
Market Underperform (Sell)	0	0%	0	0%
Total	27	100%	5	19%

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