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BioCardia Inc. (BCDA-NASDAQ)

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BUY: Chief Medical Officer Resigns; Lowering Price Target to \$5.00 from \$14.00

BioCardia announced the resignation of the chief medical officer, Dr. Eric Duckers. The only statement provided was that he “resigned as Chief Medical Officer of the Company to pursue other opportunities.” While we understand people leave, we find this concerning. We vividly remember the departure of Dr. Doug Losordo, the Chief Medical Officer of Caladrius, as a warning sign for that company. We also are aware that competitor Mesoblast (MESO) missed the primary endpoint in its heart failure trial but showed positive signs in ischemic patients. Our probability of success in our cardiac condition models has only been at 10% across the board; we now maintain the CHF ischemic models at 10% but reduce the non-ischemic to just 1%. The result is our price target falls back to \$5.00 per share.

Clinical Update:

- BCDA-01: BioCardia cites this autologous cell therapy for the treatment of ischemic heart failure as the “top priority.” The trial is expected to have its next prespecified independent Data Safety Monitoring Board review in early Q3 2021.
- BCDA-02: This is also an autologous cell therapy for the treatment of chronic myocardial ischemia. First patient enrolled in the trial is expected in Q1 with roll in cohort safety data in 2021.

Earlier Programs:

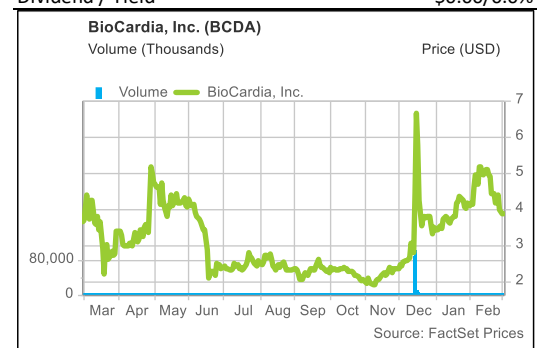
- BCDA-03 is an allogenic neurokinin 1 receptor positive (NK1R+) Mesenchymal Stem Cell (MSC) cell. According to management, the program follows previous clinical development work with MSCs for the treatment of ischemic heart failure and is intended initially for those patients excluded from BCDA-01. A target IND is expected this year.
- BCDA-04 is also a NK1R+ MSC program, but for the treatment of acute respiratory distress resulting from COVID-19. We assume no value for either of these programs as they are early.

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 revise our risk cut to projected revenues. In ischemia, we are at a 90% cut and for non-ischemic indications, we lower our chances from 10% to just 1%, all but eliminating them from our future projections. 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 revised risk cuts 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 \$5.00.

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

Current Price \$4.01
Price Target \$5.00

Estimates	F2019A	F2020E	F2021E
Expenses (\$000s)	\$ 15,192	\$ 16,261	\$ 16,346
1Q March	\$ 3,903	\$ 4,647	\$ 3,835
2Q June	\$ 3,848	\$ 3,601	\$ 4,002
3Q September	\$ 3,421	\$ 3,882	\$ 4,171
4Q December	\$ 4,020	\$ 4,131	\$ 4,338
	F2019A	F2020E	F2021E
EPS (diluted)	\$ (2.13)	\$ (1.75)	\$ (0.53)
1Q March	\$ (0.08)	\$ (0.67)	\$ (0.16)
2Q June	\$ (0.77)	\$ (0.46)	\$ (0.12)
3Q September	\$ (0.63)	\$ (0.30)	\$ (0.12)
4Q December	\$ (0.65)	\$ (0.31)	\$ (0.13)
EBITDA/Share	(\$0.96)	(\$1.56)	(\$0.52)
EV/EBITDA (x)	0.0	0.0	0.0
Stock Data			
52-Week Range	\$1.91	-	\$8.60
Shares Outstanding (mil.)	16.3		
Market Capitalization (mil.)	\$65		
Enterprise Value (mil.)	\$65		
Debt to Capital	0%		
Book Value/Share	\$2.62		
Price/Book	1.5		
Average Three Months Trading Volume (K)	139		
Insider Ownership	27.2%		
Institutional Ownership	10.6%		
Short interest (mil.)	1.3%		
Dividend / Yield	\$0.00/0.0%		



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 as well as information developed in the competitive landscape. Given the blockbuster size of the U.S. and EU ischemic HF markets, we apply a 90% risk reduction to the net revenues, suggesting on success there is a lot of upside in our estimates on success, but we recognize it’s a challenge. For non-ischemic indications, we all but eliminate them (1% probability).
2. We assume CardiAMP and CardiALLO could launch at as much as \$50,000 per therapy. Our projected market share grows over the six-year launch cycle, with CardiAMP consuming up to 14% of the total market in the year 2030 and CardiALLO achieving 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, we assume standard FDA review time of 10 months with the launch in 2025. We expect BCDA-02 to be a fast follower with approval and launch a year after BCDA-01, in 2025. To adjust for the risk of approval, we apply a 90% risk cut to our CardiAMP revenue model.
4. We expect that BCDA-03 (CardiALLO) could reach the market by 2028; however, for conservatism, we apply a therapeutic risk cut of 90% in our product mode (ischemic) and just 1% for all others.

Exhibit 1. Market Models:

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
BCDA-01 Heart Failure												
U.S. Prevalence 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%	0.0%	0.0%	0.0%	3.0%	6.0%	7.0%	8.0%	10.0%	14.0%
Number of Patients Procedures	0	0	0	0	0	0	15,090	30,211	35,281	40,361	50,502	70,774
Cost of Therapy	\$ 20,040	\$ 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	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
U.S. Annual Sales (M)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ 6	\$ 7	\$ 8	\$ 10	\$ 14
BCDA-01 Heart Failure												
E.U. Prevalence 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%	0.0%	0.0%	0.0%	1.0%	3.0%	3.0%	5.0%	10.0%	12.0%
Number of Patients Procedures	0	0	0	0	0	0	9,063	27,217	45,407	93,804	169,194	169,194
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	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
E.U. Annual Sales (M)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ 8	\$ 14	\$ 28	\$ 33	\$ 33
BCDA-02 Heart Failure												
U.S. Prevalence 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%	0.0%	2.0%	5.0%	10.0%	15.0%	20.0%	20.0%	20.0%
Number of Patients Procedures	0	0	0	0	0	4,309	10,934	22,197	33,795	45,736	46,422	47,118
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	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
U.S. Annual Sales (M)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9	\$ 22	\$ 45	\$ 69	\$ 92	\$ 95	\$ 96
BCDA-02 Heart Failure												
E.U. Prevalence 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%	0.0%	0.0%	0.0%	2.0%	5.0%	10.0%	15.0%	16.0%
Number of Patients Procedures	0	0	0	0	0	0	10,468	26,379	53,180	80,408	86,455	86,455
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	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
U.S. Annual Sales (M)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32	\$ 80	\$ 162	\$ 246	\$ 265
BCDA-03 Heart Failure												
U.S. Prevalence 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
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	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	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
U.S. Annual Sales (M)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 2	\$ 5	\$ 5
BCDA-03 Heart Failure												
E.U. Prevalence 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	272,169	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	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
U.S. Annual Sales (M)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 4	\$ 8	\$ 12

Source: Dawson James estimates

Valuation. We value BioCardia based on the revenues in our product models, which are reduced by a 90% rate cut or a 10% probability of success in ischemic CHF markets. 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 \$5.00 per share.

Exhibit 2. Discounted Free Cash Flow Model

Average \$	5
Price Target \$	3
Year	2021

DCF Valuation Using FCF (mln):

units (000)	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
EBIT	(14,571)	(15,545)	(15,595)	(27,709)	(32,133)	(27,211)	(16,284)	6,760	91,081	182,865	269,288	296,159
Tax Rate	0%	0%	0%	10%	18%	20%	24%	24%	24%	28%	30%	34%
EBIT(1-t)	(14,571)	(15,545)	(15,595)	(24,938)	(26,349)	(21,769)	(12,376)	5,138	69,221	131,663	188,502	195,465
CapEx												
Depreciation	78	170	-	-	-	-	-	-	-	-	-	-
Change in NWC												
FCF	(14,493)	(15,375)	(15,595)	(24,938)	(26,349)	(21,769)	(12,376)	5,138	69,221	131,663	188,502	195,465
PV of FCF	(8,576)	(6,998)	(5,460)	(6,717)	(5,459)	(3,469)	(1,517)	484	14,341	20,983	23,108	18,432
Discount Rate	30%											
Long Term Growth Rate	1%											
Terminal Cash Flow	680,757											
Terminal Value YE2030	64,195											
NPV	111,924											
NPV-Debt	1,016											
Shares out (thousands)	33,880	2030E										
NPV Per Share	\$	3										

Source: Dawson James estimates

Exhibit 3. EPS Model

Current Year	2021
Year of EPS	2030
Earnings Multiple	10
Discount Factor	30%
Selected Year EPS	\$ 5.77
NPV	\$ 5.00

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
5		\$19.00	\$12.00	\$8.00	\$6.00	\$4.00	\$ 3.00
10		\$37.00	\$24.00	\$16.00	\$11.00	\$8.00	\$ 5.00
15		\$56.00	\$37.00	\$25.00	\$17.00	\$12.00	\$ 8.00
20		\$74.00	\$49.00	\$33.00	\$22.00	\$15.00	\$ 11.00
25		\$93.00	\$61.00	\$41.00	\$28.00	\$19.00	\$ 14.00
30		\$112.00	\$73.00	\$49.00	\$34.00	\$23.00	\$ 16.00
35		\$130.00	\$86.00	\$57.00	\$39.00	\$27.00	\$ 19.00

Source: Dawson James estimates

Exhibit 4. Sum-of-the-Parts Model

BioCardia	LT Gr	Discount Rate	Yrs. to Mkt	% Success	Peak Sales MMs	Term Val
BCDA-01 CardiAMP cell therapy US	1%	30%	3	10%	\$1,447	\$4,989
NPV						\$2.68
BCDA-01 CardiAMP cell therapy US	1%	30%	3	10%	\$3,349	\$11,547
NPV						\$6.21
BCDA-02 CardiALLO cell therapy US	1%	30%	4	5%	\$963	\$3,322
NPV						\$0.69
BCDA-02 CardiALLO cell therapy EU	1%	30%	4	5%	\$2,651	\$9,142
NPV						\$1.89
BCDA-03 CardiALLO cell therapy US	1%	50%	5	5%	\$515	\$1,051
NPV						\$0.08
BCDA-02 CardiALLO cell therapy EU	1%	50%	5	5%	\$1,215	\$2,480
NPV						\$0.19
Net Margin						40%
MM Shrs OS (2030E)						34
Total						\$6

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	2020E	1Q21E	2Q21E	3Q21E	4Q21E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Net product revenue	282	300	315	76	79	86	89	331									
Collaboration agreement revenue	343	382	401	97	101	110	114	421									
BCDA-01 CardiaAMP Cell Therapy revenues US		0	0					0	0	0	0	3,054	6,127	7,170	8,219	10,304	14,469
BCDA-01 CardiaAMP Cell Therapy revenues EU									0	0	0	0	2,757	8,297	13,869	27,822	33,486
BCDA-02 CardiaAMP Cell Therapy revenues US											8,705	22,133	45,019	68,679	93,131	94,717	96,330
BCDA-02 CardiaAMP Cell Therapy revenues EU													3,185	80,412	162,435	246,094	265,129
BCDA-03 CardALLO Cell Therapy revenues US														680	1,706	3,423	5,149
BCDA-03 CardALLO Cell Therapy revenues EU														1,606	4,027	8,077	12,152
Total Product Sales	625	599	716	173	180	195	203	752	-	-	8,705	25,187	57,088	166,844	283,387	390,436	426,716
Product Sales & Royalties & Milestones	-	-	-	-	-	-	-	-	-	-	8,705	25,187	51,146	78,135	107,082	116,521	128,101
Expenses																	
Cost of goods sold	517	543	62	52	54	59	61	226	0	0	2,176	6,045	13,130	36,706	59,511	78,087	85,343
			9%	30%	30%	30%	30%	30%	#DIV/0!	#DIV/0!	25%	24%	23%	22%	21%	20%	20%
Research and Development	8,453	8,876	9,319	2,251	2,348	2,446	2,544	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	6,347	1,533	1,599	1,666	1,733	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	16,261	3,835	4,002	4,171	4,338	16,346	27,709	32,133	35,915	41,471	50,328	75,763	100,522	121,148	130,557
Operating income (Loss)	(14,102)	(14,593)	(15,545)	(3,662)	(3,822)	(3,976)	(4,135)	(15,595)	(27,709)	(32,133)	(27,211)	(16,284)	6,760	91,081	182,865	269,288	296,159
Interest expense																	
Interest Income	118	23															
Other expense	(3)	(1)															
Total other income	115	(1)															
Pretax Income	(13,987)	(14,571)	(15,545)	(3,662)	(3,822)	(3,976)	(4,135)	(15,595)	(27,709)	(32,133)	(27,211)	(16,284)	6,760	91,081	182,865	269,288	296,159
Income Tax Benefit (Provision)									(2,771)	(5,784)	(5,442)	(3,908)	1,622	21,859	51,202	80,786	100,694
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)	(15,545)	(3,662)	(3,822)	(3,976)	(4,135)	(15,595)	(24,938)	(26,349)	(21,769)	(12,376)	5,138	69,221	131,663	188,502	195,465
Deemed Dividend on Preferred Stock																	
GAAP-EPS	(0.37)	(0.92)	(1.56)	(0.21)	(0.17)	(0.18)	(0.18)	(0.73)	(1.10)	(1.15)	(0.95)	(0.54)	0.22	2.98	5.65	8.05	8.32
GAAP EPS (dil)	(0.37)	(0.96)	(1.56)	(0.16)	(0.12)	(0.12)	(0.13)	(0.52)	(0.76)	(0.80)	(0.66)	(0.37)	0.15	2.07	3.92	5.59	5.77
Weighted shares basic	38,285	15,761	9,948	17,643	22,661	22,684	22,706	21,423	22,763	22,854	22,946	23,038	23,130	23,223	23,316	23,409	23,503
Weighted shares dil	38,285	15,136	9,948	22,643	32,666	32,699	32,731	30,185	32,813	32,945	33,077	33,209	33,342	33,476	33,610	33,744	33,880

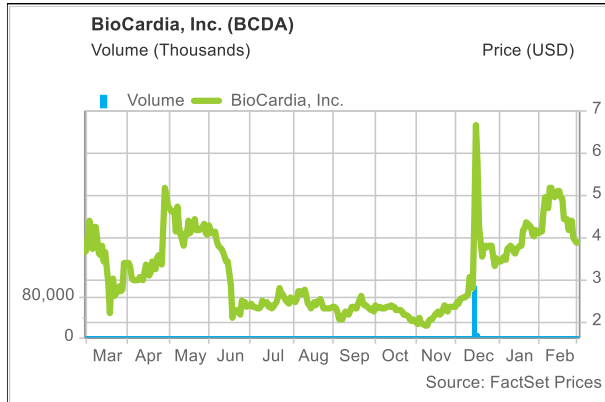
Source: Dawson James estimates, company reports

Companies mentioned in this report:

Mesoblast (MESO) Buy Rated
 Caldrius (CLBS) Neutral Rated

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
 Price Target Change – Buy – November 11, 2020 – Price Target \$14.00
 Price Target Change – Buy – March 2, 2021 – Price Target \$5.00

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Ratings Definitions:

- 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) **Neutral:** The analyst believes the price of the stock is fairly valued for the next 12-18 months;
- 3) **Sell:** The analyst believes the price of the stock will decline by at least 20% over the next 12-18 months and should be sold.

The following chart reflects the range of current research report ratings for all companies followed by the analysts of the Firm. The chart also reflects the research report ratings relating to those companies for which the Firm has performed investment banking services.

Ratings Distribution	Company Coverage		Investment Banking	
	# of Companies	% of Total	# of Companies	% of Totals
Market Outperform (Buy)	20	69%	6	30%
Market Perform (Neutral)	9	31%	1	11%
Market Underperform (Sell)	0	0%	0	0%
Total	29	100%	7	24%

Analyst Certification:

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