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## BioCardia Inc. (BCDA-NASDAQ) – Neutral Rated

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### As We Expected, Raises Capital, but It's Just a drop in the Bucket – We Remain on the Sidelines – Neutral Rated

We anticipated the company would raise capital and lowered our rating from Buy to Neutral (11.10.22). BioCardia did announce a \$3.6M raise for \$2.1M shares at \$1.68. The company closed the 3<sup>rd</sup> Quarter with \$6.6M in cash and reported an operating loss of \$3M. This raise buys the company a quarter's (plus or minus) worth of runway.

#### Investment Highlights:

##### Milestones Ahead (3<sup>rd</sup> Quarter's press release):

- BCDA-01:
  - Data Safety Monitoring Board anticipated in Q1 2023, including potential statistical analysis plan in place to enable early readout.
  - Third consultation with Japan's PMDA and submission for approval of CardiAMP Cell Therapy System for the treatment of ischemic heart failure in Japan.
- BCDA-02: CardiAMP Chronic Myocardial Ischemia Phase III pivotal trial roll-in safety roll-in cohort data in Q1 2023.
- BCDA-03: FDA approval of the Phase I/II IND for our NK1R+ MSC program for the treatment of ischemic heart failure in Q4 2022.
- BCDA-04: treatment of the first patient in our NK1R+ MSC Phase I/II program for the treatment of ARDS resulting from COVID-19 in Q4 2022.

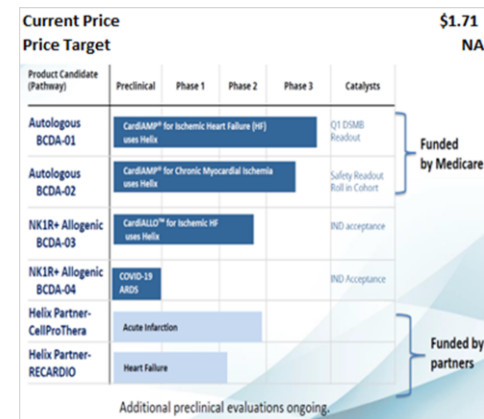
#### Our Opinion: We do not see any of these as compelling, near-term.

**BCDA-01: The CardiAMP Heart Failure Trial (BCDA-01):** The ongoing multi-center, double-blinded, randomized (3:2), controlled pivotal CardiAMP Heart Failure Trial is expected to enroll 260 patients at up to 40 centers nationwide. The trial's primary endpoint is an outcomes composite score based on a three-tiered Finkelstein-Schoenfeld (FS) hierarchical analysis, an established outcomes design that has been used in other leading heart failure programs. We are hopeful to see this trial complete enrollment with the potential for top-line data next year.

**BCDA-02:** This is the CardiAMP Chronic Myocardial Ischemia Trial. It is a P3, multi-center, randomized, double-blinded, controlled study of up to 343 patients at up to 40 clinical sites. The trial is designed to provide the primary support for the safety and efficacy of the CardiAMP Cell Therapy System for the indication of chronic myocardial ischemia. This program benefits from the 2022 CMS reimbursement at up to \$20,000. The trial has been activated at two centers and the Company is working to activate additional centers.

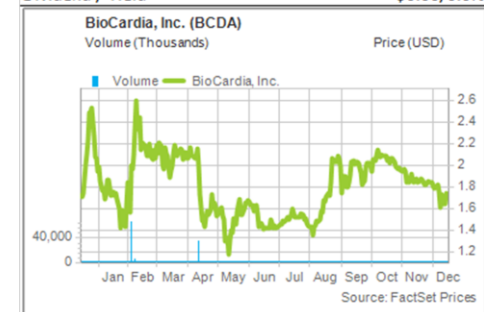
**Valuation:** We model to 2030 with probability of success factors in our models. In addition, in our free cash flow (FCFF), discounted EPS (EPS), and sum-of-the-parts (SOP) models, we apply a risk rate (r) of 30%. Our models are equal-weighted, averaged, and rounded to the nearest whole number to derive a fair-value target.

**Risks:** Partnership risks, Commercialization risks, financial risks, Clinical and Regulatory risks, and Legal and Intellectual Property risks.



Source: Biocardia

| Stock Data                              |             |   |        |
|---|-------------|---|--------|
| 52-Week Range                           | \$1.10      | - | \$2.85 |
| Shares Outstanding (mil.)               | 17.8        |   |        |
| Market Capitalization (mil.)            | \$31        |   |        |
| Enterprise Value (mil.)                 | \$30        |   |        |
| Debt to Capital                         | 0%          |   |        |
| Book Value/Share                        | \$2.62      |   |        |
| Price/Book                              | 0.7         |   |        |
| Average Three Months Trading Volume (K) | 35          |   |        |
| Insider Ownership                       | 16.1%       |   |        |
| Institutional Ownership                 | 15.1%       |   |        |
| Short interest (mil.)                   | 0.2%        |   |        |
| Dividend / Yield                        | \$0.00/0.0% |   |        |



**Exhibit 1. Income Statement**

| BioCardia Inc: Income Statement (\$000)               |                 |                 |                 |                 |                |                |                |                |                 |                 |                 |                 |                 |               |                |                |                |
|---|-----------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|----------------|----------------|----------------|
| BCDA: YE December                                     | 2018A           | 2019A           | 2020A           | 2021A           | 1Q22A          | 2Q22A          | 3Q22A          | 4Q22E          | 2022E           | 2023E           | 2024E           | 2025E           | 2026E           | 2027E         | 2028E          | 2029E          | 2030E          |
| Net product revenue                                   | 282             | 300             | 23              | 1               |                |                |                |                |                 |                 |                 |                 |                 |               |                |                |                |
| Collaboration agreement revenue                       | 343             | 382             | 122             | 1,014           |                |                |                |                |                 |                 |                 |                 |                 |               |                |                |                |
| BCDA-01 CardiaAMP Cell Therapy revenues US            |                 | 0               | 0               | 0               | 0              | 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              | 0               | 0               | 0               | 0               | 2,757           | 8,297         | 13,869         | 27,822         | 33,486         |
| BCDA-02 CardiaAMP Cell Therapy revenues US            |                 |                 |                 |                 |                |                |                |                |                 | -               | -               | -               | 4,502           | 68,679        | 93,131         | 94,717         | 96,330         |
| BCDA-02 CardiaAMP Cell Therapy revenues EU            |                 |                 |                 |                 |                |                |                |                |                 | -               | -               | -               | -               | -             | 64,974         | 98,437         | 165,706        |
| 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         |
| <b>Total Product Sales</b>                            | <b>625</b>      | <b>599</b>      | <b>145</b>      | <b>1,015</b>    | <b>60</b>      | <b>974</b>     | <b>2</b>       | <b>-</b>       | <b>1,036</b>    | <b>-</b>        | <b>-</b>        | <b>3,054</b>    | <b>13,386</b>   | <b>86,431</b> | <b>185,926</b> | <b>242,780</b> | <b>327,292</b> |
| <b>Product Sales &amp; Royalties &amp; Milestones</b> | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>       | <b>-</b>       | <b>212</b>     | <b>-</b>       | <b>212</b>      | <b>-</b>        | <b>-</b>        | <b>3,054</b>    | <b>10,629</b>   | <b>78,135</b> | <b>107,082</b> | <b>116,521</b> | <b>128,101</b> |
| <b>Expenses</b>                                       |                 |                 |                 |                 |                |                |                |                |                 |                 |                 |                 |                 |               |                |                |                |
| Cost of goods sold                                    | 517             | 543             | 4               | 24              |                |                | 1              | 0              | 1               | 0               | 0               | 733             | 3,079           | 19,015        | 39,044         | 48,556         | 65,458         |
|   |                 |                 | 3%              | 2%              | 30%            | 30%            | 30%            | 30%            | 0%              | #DIV/0!         | #DIV/0!         | 24%             | 23%             | 22%           | 21%            | 20%            | 20%            |
| Research and Development                              | 8,453           | 8,876           | 9,809           | 8,558           | 2,186          | 2,304          | 2,144          | 2,336          | 8,986           | 9,435           | 9,907           | 10,402          | 10,922          | 11,469        | 12,042         | 12,644         | 13,276         |
| Selling, general and administrative                   | 5,757           | 6,045           | 5,861           | 5,087           | 1,201          | 1,166          | 1,128          | 1,200          | 4,695           | 5,500           | 10,000          | 20,000          | 21,000          | 22,050        | 23,153         | 24,310         | 25,526         |
| <b>Total expenses</b>                                 | <b>14,727</b>   | <b>15,192</b>   | <b>15,674</b>   | <b>13,645</b>   | <b>3,387</b>   | <b>3,470</b>   | <b>3,273</b>   | <b>3,536</b>   | <b>13,666</b>   | <b>14,636</b>   | <b>19,509</b>   | <b>30,527</b>   | <b>34,363</b>   | <b>51,863</b> | <b>73,535</b>  | <b>84,771</b>  | <b>103,484</b> |
| Operating income (Loss)                               | (14,102)        | (14,593)        | (15,529)        | (12,630)        | (3,327)        | (2,496)        | 3,061          | (3,536)        | (12,630)        | (14,636)        | (19,509)        | (27,473)        | (20,976)        | 34,568        | 112,391        | 158,009        | 223,808        |
| Interest expense                                      |                 |                 |                 |                 |                |                |                |                |                 |                 |                 |                 |                 |               |                |                |                |
| Interest Income                                       | 118             | 23              | 21              | 9               |                |                |                |                |                 |                 |                 |                 |                 |               |                |                |                |
| Other expense   | (3)             | (1)             | 504             | (2)             | 2              | 1              | 3              |                |                 |                 |                 |                 |                 |               |                |                |                |
| <b>Total other income</b>                             | <b>115</b>      | <b>(1)</b>      | <b>504</b>      | <b>(2)</b>      | <b>2</b>       | <b>1</b>       | <b>3</b>       | <b>-</b>       | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>      | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>Pretax Income</b>                                  | <b>(13,987)</b> | <b>(14,571)</b> | <b>(15,004)</b> | <b>(12,623)</b> | <b>(3,325)</b> | <b>(2,497)</b> | <b>(3,057)</b> | <b>(3,536)</b> | <b>(12,630)</b> | <b>(14,636)</b> | <b>(19,509)</b> | <b>(27,473)</b> | <b>(20,976)</b> | <b>34,568</b> | <b>112,391</b> | <b>158,009</b> | <b>223,808</b> |
| Income Tax Benefit (Provision)                        |                 |                 |                 |                 |                |                |                |                |                 |                 |                 |                 |                 | 8,296         | 31,469         | 47,403         | 76,095         |
| <b>Tax Rate</b>                                       | <b>0%</b>       | <b>0%</b>       | <b>0%</b>       | <b>0%</b>       | <b>0%</b>      | <b>0%</b>      | <b>0%</b>      | <b>0%</b>      | <b>0%</b>       | <b>0%</b>       | <b>0%</b>       | <b>0%</b>       | <b>0%</b>       | <b>24%</b>    | <b>28%</b>     | <b>30%</b>     | <b>34%</b>     |
| <b>GAAP Net Income (loss)</b>                         | <b>(13,987)</b> | <b>(14,571)</b> | <b>(15,004)</b> | <b>(12,623)</b> | <b>(3,325)</b> | <b>(2,497)</b> | <b>(3,057)</b> | <b>(3,536)</b> | <b>(12,630)</b> | <b>(14,636)</b> | <b>(19,509)</b> | <b>(27,473)</b> | <b>(20,976)</b> | <b>26,272</b> | <b>80,921</b>  | <b>110,606</b> | <b>147,713</b> |
| Deemed Dividend on Preferred Stock                    |                 |                 |                 |                 |                |                |                |                |                 |                 |                 |                 |                 |               |                |                |                |
| <b>GAAP-EPS</b>                                       | <b>(0.37)</b>   | <b>(0.92)</b>   | <b>(1.48)</b>   | <b>(0.75)</b>   | <b>(0.19)</b>  | <b>(0.14)</b>  | <b>(0.11)</b>  | <b>(0.13)</b>  | <b>(0.57)</b>   | <b>(0.54)</b>   | <b>(0.71)</b>   | <b>(1.00)</b>   | <b>(0.76)</b>   | <b>0.95</b>   | <b>2.92</b>    | <b>3.97</b>    | <b>5.28</b>    |
| GAAP EPS (dil)  | (0.37)          | (2.13)          | (1.55)          | (0.29)          | (0.07)         | (0.08)         | (0.05)         | (0.06)         | (0.26)          | (0.26)          | (0.34)          | (0.48)          | (0.36)          | 0.45          | 1.39           | 1.89           | 2.51           |
| Weighted shares basic                                 | 38,285          | 15,761          | 10,118          | 16,917          | 17,066         | 17,651         | 27,110         | 27,137         | 22,241          | 27,205          | 27,314          | 27,423          | 27,533          | 27,644        | 27,754         | 27,866         | 27,977         |
| Weighted shares dil                                   | 38,285          | 15,136          | 13,445          | 44,209          | 46,823         | 32,000         | 56,927         | 56,984         | 48,184          | 57,127          | 57,355          | 57,585          | 57,816          | 58,047        | 58,280         | 58,513         | 58,748         |

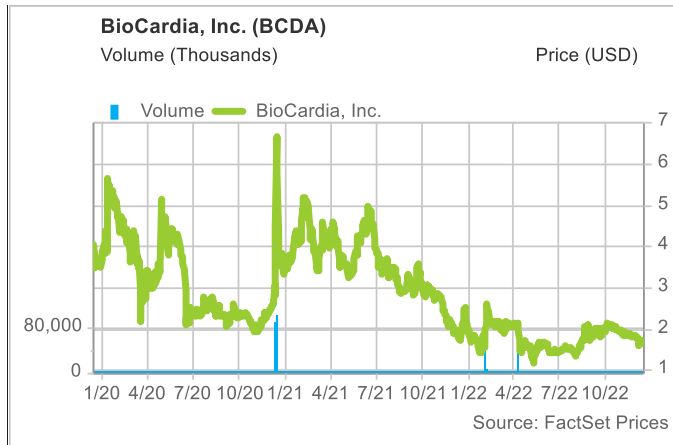
Source: Company Reports and Dawson James

Source: Dawson James estimates, company reports

Companies mentioned in this report:

**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
- Rating Change – Buy to Neutral – April 15, 2021 – Price Target NA
- Update - Neutral – June 24, 2021 – Price Target NA
- Update - Neutral – December 14, 2021 – Price Target NA
- Rating Change – Buy – January 24, 2022 – Price Target \$4.0
- Update – Buy – February 3, 2022 – Price Target \$4.0
- Update – Buy – February 14, 2022 – Price Target \$4.0
- Update – Buy – March 3, 2022 – Price Target \$4.0
- Update – Buy – March 30, 2022 – Price Target \$4.0
- Update Price Target Change – Buy – April 19, 2022 – Price Target \$3.0
- Update – Buy – May 18, 2022 – Price Target \$3.0
- Update – Buy – August 31, 2022 – Price Target \$3.0
- Update – Buy – October 3, 2022 – Price Target \$3.0
- Rating Change – Buy to Neutral – November 10, 2022 – Price Target \$NA
- Update – Neutral – December 16, 2022 – Price Target \$NA

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Current as of 7-Dec-22

|                             | <b>Company Coverage</b> |            | <b>Investment Banking</b> |             |
|-----------------------------|-------------------------|------------|---------------------------|-------------|
| <b>Ratings Distribution</b> | # of Companies          | % of Total | # of Companies            | % of Totals |
| Market Outperform (Buy)     | 23                      | 77%        | 2                         | 9%          |
| Market Perform (Neutral)    | 6                       | 20%        | 0                         | 0%          |
| Market Underperform (Sell)  | 1                       | 3%         | 0                         | 0%          |
| Total                       | 30                      | 100%       | 2                         | 7%          |

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