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BioCardia Inc. (BCDA-NASDAQ) – Neutral Rated

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Raises Capital but It's Less Than a Million, Stock Back to Its Lows – CardiAMP Trial Pushes Forward in the Wake of the Last Failed Trial

BioCardia raised capital in a deal that included the CEO, but it's less than one million dollars. The decision to do this has sent the stock to its low, as such we question, why raise just one million? This transaction follows an ATM (At the Market) stock sales agreement for \$2.75M in December. The company closed the September quarter with \$1.8M in cash (and spent \$2.5M in the same period). As we wrote in December, we remain concerned given both the burn rate of the company and the recent string of bad news both in the regenerative medicine space, (multiple clinical failures reported) and BioCardia's own failures (Sept. 23 BioCardia announces: "The 250-patient randomized controlled study is unlikely to meet its primary three-tiered FS efficacy endpoint"). We remain neutral-rated.

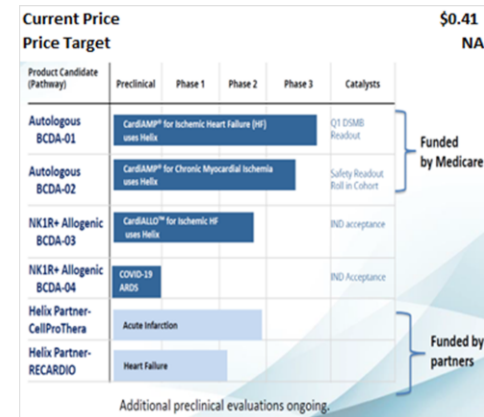
Investment Highlights:

CardiAMP Trial: BioCardia announced the "activation" of the CardiAMP HF II trial. This is a randomized controlled pivotal trial of the company's CardiAMP autologous cell therapy for patients with ischemic heart failure. The study plans to evaluate autologous cell therapy for the treatment of ischemic etiology heart failure of reduced ejection fraction (HFrEF). This trial follows the "stopped" **BioCardia Trial (BCDA-01 – Autologous Cell Therapy for patients with Ischemic Heart Failure)**. Last year (Sept. 5) the company announced in a press release: "Based on these measures at one-year follow-up, the 250-patient randomized controlled study is unlikely to meet its primary three-tiered FS efficacy endpoint, as seen from the initial 102 randomized patient set assessed at 12-month follow-up (110 patients had been randomized and eight of them had not completed their 12-month follow-up visit at the time of the analysis)".

The Regenerative Cell Therapy Space – Multiple Clinical failures: We recall now defunct Athersys (ATHX-Not rated) and Mesoblast (MESO-Not Rated) – both have made believing in the regenerative medicine space difficult. While cells appear to have an effect it also appears to be modest. Questions remain on potency, how best to deliver cells, what dose of cells, which indication and the required clinical power (patient n value) to realize a statically significant result. We don't believe these questions have been adequately answered and we don't see the regen companies as having the resources (expertise, money & time) to properly answer.

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	\$0.36	-	\$2.92
Shares Outstanding (mil.)	21.6		
Market Capitalization (mil.)	\$9		
Enterprise Value (mil.)	\$8		
Debt to Capital	0%		
Book Value/Share	\$2.62		
Price/Book	0.2		
Average Three Months Trading Volume (K)	69		
Insider Ownership	43.9%		
Institutional Ownership	7.8%		
Short interest (mil.)	0.7%		
Dividend / Yield	\$0.00/0.0%		

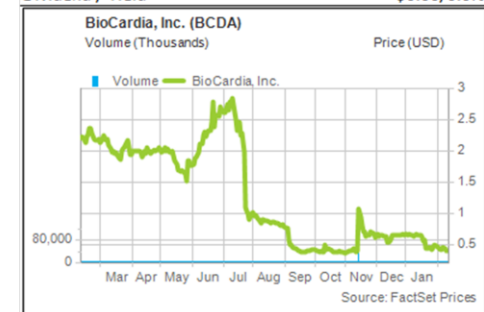


Exhibit 1. Income Statement

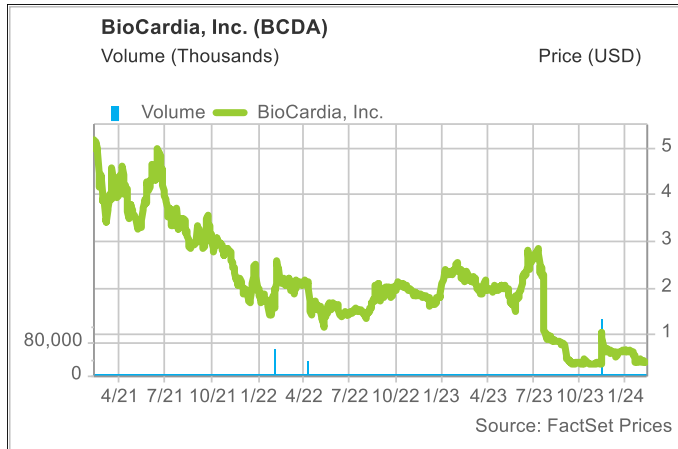
Biocardia Inc: Income Statement (\$000)																	
BCDA: YE December	2018A	2019A	2020A	2021A	2022A	1Q23A	2Q23A	3Q23A	4Q23E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Net product revenue	282	300	23	1													
Collaboration agreement revenue	343	382	122	1,014													
BCDA-01 CardiaAMP 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						0	0	0	0	-	-	-	4,502	68,679	93,131	94,717	96,330
BCDA-02 CardiaAMP Cell Therapy revenues EU						0	0	0	0	-	-	-	-	-	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
Total Product Sales	625	599	145	1,015	1,352	-	-	-	-	-	-	3,054	13,386	86,431	185,926	242,780	327,292
Product Sales & Royalties & Milestones	-	-	-	-	212	64	43	357	-	464	-	3,054	10,629	78,135	107,082	116,521	128,101
Expenses																	
Cost of goods sold	517	543	4	24		0	0	0	0	0	0	733	3,079	19,015	39,044	48,556	65,458
			3%	2%	0%	25%	25%	25%	25%	#DIV/0!	#DIV/0!	24%	23%	22%	21%	20%	20%
Research and Development	8,453	8,876	9,809	8,558	8,834	2,384	2,314	1,872	2,000	8,570	8,999	9,448	9,921	10,417	10,938	11,485	12,059
				4%													
Selling, general and administrative	5,757	6,045	5,861	5,087	4,419	1,190	1,181	1,083	1,000	4,454	10,000	20,000	21,000	22,050	23,153	24,310	25,526
Total expenses	14,727	15,192	15,674	13,645	13,253	3,574	3,495	2,955	3,000	13,024	18,619	29,593	33,381	50,832	72,453	83,635	102,291
Operating income (Loss)	(14,102)	(14,593)	(15,529)	(12,630)	(11,901)	(3,574)	(3,452)	2,598	(3,000)	(13,024)	(18,619)	(26,538)	(19,995)	35,599	113,473	159,145	225,001
Interest expense																	
Interest Income	118	23	21	9													
Other expense	(3)	(1)	504	(2)	6	9	28	24									
Total other income	115	(1)	504	(2)	6	9	28	24	-	-	-	-	-	-	-	-	-
Pretax Income	(13,987)	(14,571)	(15,004)	(12,623)	(11,907)	(3,501)	(3,424)	(2,574)	(3,000)	(13,024)	(18,619)	(26,538)	(19,995)	35,599	113,473	159,145	225,001
Income Tax Benefit (Provision)														8,544	31,772	47,744	76,500
Tax Rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	24%	28%	30%	34%
GAAP Net Income (loss)	(13,987)	(14,571)	(15,004)	(12,623)	(11,907)	(3,501)	(3,424)	(2,574)	(3,000)	(13,024)	(18,619)	(26,538)	(19,995)	27,055	81,700	111,402	148,501
Deemed Dividend on Preferred Stock																	
GAAP-EPS	(0.37)	(0.92)	(1.48)	(0.75)	(0.67)	(0.17)	(0.17)	(0.12)	(0.12)	(0.59)	(0.71)	(1.01)	(0.76)	1.03	3.08	4.19	5.56
GAAP EPS (dil)	(0.37)	(2.13)	(1.55)	(0.29)	(0.33)	(0.09)	(0.09)	(0.05)	(0.05)	(0.27)	(0.32)	(0.46)	(0.35)	0.47	1.40	1.90	2.53
Weighted shares basic	38,285	15,761	10,118	16,917	17,721	20,177	20,384	21,615	26,000	22,044	26,065	26,169	26,274	26,380	26,485	26,591	26,698
Weighted shares dil	38,285	15,136	13,445	44,209	36,000	40,000	40,000	57,155	57,212	48,592	57,355	57,585	57,816	58,047	58,280	58,513	58,748

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
- Update – Neutral – March 7, 2023 – Price Target \$NA
- Update – Neutral – April 21, 2023 – Price Target \$NA
- Update – Neutral – June 8, 2023 – Price Target \$NA
- Update – Neutral – June 22, 2023 – Price Target \$NA
- Update – Neutral – July 24, 2023 – Price Target \$NA
- Update – Neutral – August 17, 2023 – Price Target \$NA
- Update – Neutral – September 5, 2023 – Price Target \$NA
- Update – Neutral – December 6, 2023 – Price Target \$NA
- Update – Neutral – February 12, 2024 – Price Target \$NA

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- 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.

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Current as of 30-Jan-24

	Company Coverage		Investment Banking	
Ratings Distribution	# of Companies	% of Total	# of Companies	% of Totals
Market Outperform (Buy)	20	58.82%	4	11.80%
Market Perform (Neutral)	14	41.18%	2	5.90%
Market Underperform (Sell)	0	0%	0	0.00%
Total	34	100%	6	17.70%

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