

May 16, 2023



# PAVmed Provides Business Update and First Quarter Financial Results

*EsoGuard<sup>®</sup> test volume gains momentum as Lucid expands high-volume testing events*

*PAVmed appoints President for Veris Health and expands commercial footprint*

*Conference call and webcast to be held tomorrow, May 17<sup>th</sup> at 8:30 AM EST*

NEW YORK, May 16, 2023 /PRNewswire/ -- [PAVmed Inc.](#) (NASDAQ: PAVM, PAVMZ) ("PAVmed" or the "Company"), a diversified commercial-stage medical technology company, operating in the medical device, diagnostics, and digital health sectors, today provided a business update for the Company and its subsidiaries, Lucid Diagnostics Inc. (NASDAQ: LUCD) ("Lucid") and Veris Health Inc. ("Veris"), and presented financial results for the Company for the three months ended March 31, 2023.



## Conference Call and Webcast

The webcast will take place on Wednesday, May 17, 2023, at 8:30 AM and will be accessible in the investor relations section of the Company's website at [pavmed.com](http://pavmed.com). Alternatively, to access the conference call by telephone, U.S.-based callers should dial 1-866-652-5200 and international listeners should dial 412-317-6060. All listeners should provide the operator with the conference call name "PAVmed Business Update" to join.

## Business Update Highlights

"Since our business update in January, the PAVmed team has continued to execute on our near-term strategy focused on our two commercial subsidiaries, Lucid and Veris, to fulfill our vision to build a high-growth, diversified medical technology company," said [Lishan Aklog, M.D.](#), PAVmed's Chairman and Chief Executive Officer. "To that end, we continue to expand utilization of our Veris Cancer Care Platform, while broadening our long-term commercial strategy under the leadership of our new Veris President, Gary Manning. Similarly, Lucid continues to accelerate test volume growth, including through an expanded use of satellite Lucid Test Centers (sLTC) and #CheckYourFoodTube events. Collectively, the teams are delivering on key metrics while continuing to preserve cash even as we press through near-term inflection points."

Highlights from the first quarter and recent weeks include:

- Since the Veris Cancer Care Platform went "live" in February, Veris added two additional accounts, expanding utilization of the product to a total of six locations across three oncology practices while building a robust, nationwide pipeline.
- In April, Gary Manning joined PAVmed to become the President of Veris Health. Mr. Manning has a track record of success spanning three decades, including leading companies in the medical device, wearable, and digital health arenas and commercializing products in the global market. Mr. Manning is leveraging this experience to hone strategy and expand commercial horizons.
- Veris continues to make progress toward regulatory submission of its implantable monitor which is targeted for commercial launch next year. The device, which is designed to be implanted in conjunction with a chemotherapy vascular access port, will further the power of the Veris Cancer Care Platform by assuring full patient compliance with RPM data reporting requirements. It recently completed an animal study which demonstrated excellent device performance, consistent with its design and clinical specifications, over an extended implant period.
- Yesterday, Lucid provided a detailed update of its commercial and financial performance. Quarterly EsoGuard testing volume increased with a 57 percent increase sequentially from 4Q22 and a 245 percent annual increase from 1Q22.
- Satellite Lucid Test Center (sLTC) activity, where Lucid clinicians collect samples at physician offices and high-volume testing events, continues to increase rapidly, with Lucid clinicians now performing more than half of all cell collection procedures through an sLTC.
- In the first quarter and recent weeks, Medicare Administrative Contractors Palmetto GBA MoIDX and Noridian Healthcare Solutions published foundational Future Effective Local Coverage Determinations ("LCD"), both titled *"Molecular Testing for Detection of Upper Gastrointestinal Metaplasia, Dysplasia, and Neoplasia"*.

#### Financial Results:

- For the three months ended March 31, 2023, EsoGuard related revenues were \$0.4 million. Operating expenses were approximately \$20.8 million, which include stock-based compensation expenses of \$4.4 million. GAAP net loss attributable to common stockholders was approximately \$18.0 million, or \$(0.19) per common share.
- As shown below and for the purpose of illustrating the effect of stock-based compensation and other non-cash income and expenses on the Company's financial results, the Company's preliminary non-GAAP adjusted loss for the three months ended March 31, 2023, was approximately \$9.3 million or \$(0.10) per common share.
- PAVmed had cash and cash equivalents of \$49.3 million as of March 31, 2023, compared to \$39.7 million as of December 31, 2022.
- The unaudited financial results for the three months ended March 31, 2023 were filed with the SEC on Form 10-Q on May 15, 2023, and are available at [www.pavmed.com](http://www.pavmed.com) or [www.sec.gov](http://www.sec.gov).

- To supplement our unaudited financial results presented in accordance with U.S. generally accepted accounting principles (GAAP), management provides certain non-GAAP financial measures of the Company's financial results. These non-GAAP financial measures include net loss before interest, taxes, depreciation, and amortization (EBITDA) and non-GAAP adjusted loss, which further adjusts EBITDA for stock-based compensation expense, loss on the issuance or modification of convertible securities, the periodic change in fair value of convertible securities, and loss on debt extinguishment. The foregoing non-GAAP financial measures of EBITDA and non-GAAP adjusted loss are not recognized terms under U.S. GAAP.
- Non-GAAP financial measures are presented with the intent of providing greater transparency to the information used by us in our financial performance analysis and operational decision-making. We believe these non-GAAP financial measures provide meaningful information to assist investors, shareholders, and other readers of our unaudited financial statements in making comparisons to our historical financial results and analyzing the underlying performance of our results of operations. These non-GAAP financial measures are not intended to be, and should not be, a substitute for, considered superior to, considered separately from, or as an alternative to, the most directly comparable GAAP financial measures.
- Non-GAAP financial measures are provided to enhance readers' overall understanding of our current financial results and to provide further information for comparative purposes. Management believes the non-GAAP financial measures provide useful information to management and investors by isolating certain expenses, gains, and losses that may not be indicative of our core operating results and business outlook. Specifically, the non-GAAP financial measures include non-GAAP adjusted loss, and its presentation is intended to help the reader understand the effect of the loss on the issuance or modification of convertible securities, the periodic change in fair value of convertible securities, the loss on debt extinguishment and the corresponding accounting for non-cash charges on financial performance. In addition, management believes non-GAAP financial measures enhance the comparability of results against prior periods.
- A reconciliation to the most directly comparable GAAP measure of all non-GAAP financial measures included in this press release for the three months ended March 31, 2023, and 2022 are as follows:

	For the three months ended March 31,	
	2023	2022
(in thousands except per-share amounts)		
<b>Revenue</b>	\$ 446	\$ 189
<b>Operating expenses</b>	20,847	19,824
<b>Other (Income) Expense</b>	1,813	(2)
<b>Net Loss</b>	22,214	19,633
<b>Net income (loss) per common share, basic and diluted</b>	\$ (0.19)	\$ (0.20)
<b>Net loss attributable to common stockholders</b>	(18,005)	(16,940)
Preferred Stock dividends and deemed dividends	74	68

<b>Net income (loss) as reported</b>	(17,931)	(16,872)
Adjustments:		
Depreciation and amortization expense <sup>1</sup>	727	216
Interest expense, net <sup>2</sup>	62	(2)
<b>EBITDA</b>	<u>(17,142)</u>	<u>(16,658)</u>
<b>Other non-cash or financing related expenses:</b>		
Stock-based compensation expense <sup>3</sup>	4,419	4,814
ResearchDx acquisition paid in stock	713	—
Change in FV convertible debt <sup>2</sup>	1,040	—
Offering costs convertible debt <sup>2</sup>	1,186	—
Loss on debt extinguishment	525	—
<b>Non-GAAP adjusted (loss)</b>	<u>(9,259)</u>	<u>(11,844)</u>
Basic and Diluted shares outstanding	97,095	86,336
Non-GAAP adjusted (loss) income per share	\$(0.10)	\$(0.14)

<sup>1</sup> Included in general and administrative expenses in the financial statements.

<sup>2</sup> Included in other income and expenses.

<sup>3</sup> Stock-based compensation ("SBC") expense included in operating expenses is detailed as follows in the table below by category within operating expenses for the non-GAAP Net operating expenses:

	For the three months ended March 31,	
	<u>2023</u>	<u>2022</u>
(in thousands except per-share amounts)		
<b>Cost of revenue</b>	1,346	369
Stock-based compensation expense <sup>3</sup>	(23)	—
Net cost of revenue	<u>1,323</u>	<u>369</u>
<b>Amortization of acquired intangible assets</b>	505	123
<b>Sales and marketing</b>	4,539	3,925
Stock-based compensation expense <sup>3</sup>	(444)	(625)
Net sales and marketing	<u>4,095</u>	<u>3,300</u>
<b>General and administrative</b>	10,018	9,475
Depreciation expense	(222)	(93)
Stock-based compensation expense <sup>3</sup>	(3,588)	(4,002)
Net general and administrative	<u>6,208</u>	<u>5,380</u>
<b>Research and development</b>	4,439	5,932
Stock-based compensation expense <sup>3</sup>	(364)	(187)
Net research and development	<u>4,075</u>	<u>5,745</u>
<b>Total operating expenses</b>	20,847	19,824
Depreciation and amortization expense	(727)	(216)
Stock-based compensation expense <sup>3</sup>	(4,419)	(4,814)
Net operating expenses	<u>15,701</u>	<u>14,794</u>

## About PAVmed and its Subsidiaries

PAVmed Inc. is a diversified commercial-stage medical technology company operating in the medical device, diagnostics, and digital health sectors. Its majority-owned subsidiary, Veris Health Inc., is a digital health company focused on enhanced personalized cancer care through remote patient monitoring using implantable biologic sensors with wireless communication along with a custom suite of connected external devices. Veris is concurrently developing an implantable physiological monitor, designed to be implanted alongside a chemotherapy port, which will interface with the Veris Cancer Care Platform. Its other majority-owned subsidiary, Lucid Diagnostics Inc. (NASDAQ: LUCD), is a commercial-stage cancer prevention medical diagnostics company that markets the EsoGuard<sup>®</sup> Esophageal DNA Test and EsoCheck<sup>®</sup> Esophageal Cell Collection Device—the first and only commercial tools for widespread early detection of esophageal precancer to prevent esophageal cancer deaths.

For more and for more information about PAVmed, please visit [pavmed.com](http://pavmed.com).

For more information about Veris Health, please visit [verishealth.com](http://verishealth.com).

For more information about Lucid Diagnostics, please visit [luciddx.com](http://luciddx.com).

## **Forward-Looking Statements**

This press release includes forward-looking statements that involve risks and uncertainties. Forward-looking statements are any statements that are not historical facts. Such forward-looking statements, which are based upon the current beliefs and expectations of PAVmed's and Lucid's management, are subject to risks and uncertainties, which could cause actual results to differ from the forward-looking statements. Risks and uncertainties that may cause such differences include, among other things, volatility in the price of PAVmed's and Lucid's common stock; PAVmed's Series Z warrants; general economic and market conditions; the uncertainties inherent in research and development, including the cost and time required to advance PAVmed's and Lucid's products to regulatory submission; whether regulatory authorities will be satisfied with the design of and results from PAVmed's and Lucid's clinical and preclinical studies; whether and when PAVmed's and Lucid's products are cleared by regulatory authorities; market acceptance of PAVmed's and Lucid's products once cleared and commercialized; PAVmed's and Lucid's ability to raise additional funding as needed; and other competitive developments. In addition, new risks and uncertainties may arise from time to time and are difficult to predict. For a further list and description of these and other important risks and uncertainties that may affect PAVmed's and Lucid's future operations, see Part I, Item 1A, "Risk Factors," in PAVmed's and Lucid's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission, as the same may be updated in Part II, Item 1A, "Risk Factors" in any Quarterly Report on Form 10-Q filed by PAVmed or Lucid after its most recent Annual Report. PAVmed and Lucid disclaim any intention or obligation to publicly update or revise any forward-looking statement to reflect any change in its expectations or in events, conditions, or circumstances on which those expectations may be based, or that may affect the likelihood that actual results will differ from those contained in the forward-looking statements.

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