November 16, 2021

PAVmed and Lucid Provide Business Update and Preliminary Third Quarter 2021 Financial Results

Conference call to be held today at 4:30 PM EDT

NEW YORK--(BUSINESS WIRE)-- **PAVmed Inc. (Nasdaq: PAVM, PAVMZ**) ("PAVmed"), a highly differentiated, multi-product, commercial-stage medical device company, and its majority-owned subsidiary **Lucid Diagnostics Inc. (Nasdaq: LUCD)** ("Lucid"), a commercial-stage cancer prevention diagnostics company today provided a joint business update for the companies and discussed preliminary financial results for the six and nine months ended September 30, 2021.

This press release features multimedia. View the full release here: https://www.businesswire.com/news/home/20211116006357/en/

"The third quarter and recent weeks have proved to be an exciting time for our companies—almost certainly the most important in PAVmed's corporate history," said Lishan Aklog, M.D., PAVmed's Chairman and Chief Executive Officer and Lucid's Chairman and Chief Executive Officer. "Lucid is now a Nasdaq-listed public company having raised sufficient capital to execute on its growth strategy and drive commercialization in a $25 billion-dollar addressable company. PAVmed's equity stake in Lucid actually increased from approximately 73% to 76% post-IPO as a result of PAVmed converting debt into equity immediately prior to consummation of the IPO."

"PAVmed and Lucid are both in a very strong financial position with over $90 million in cash between them. With Lucid now fully financed and self-sufficient, PAVmed no longer has to raise and spend capital, and dilute its shareholders, to finance Lucid's operations. We can deploy PAVmed's capital to advance and commercialize its other key products and expand our portfolio. As the majority shareholder PAVmed will continue to consolidate Lucid's financials. I am also excited that we have crossed another small but important milestone. PAVmed and Lucid are no longer pre-revenue companies, with both for the first time recognizing modest revenue for the third quarter."

Conference Call and Webcast

A conference call and webcast for today's business update and third quarter 2021 financial results will take place at 4:30 PM EDT. To access the conference call, listeners should dial 877-407-3982 toll-free in the U.S. or 201-493-6780, and ask to join the "PAVmed, Inc. Business Update Conference Call". The conference call will be available live via webcast and for replay at the investor relations section of the Company's website at www.pavmed.com. Following the conclusion of the conference call, a replay will be available for one week and can be accessed by dialing 844-512-2921 toll-free in the U.S. or 412-317-

6671, followed by the PIN number: 13724402.

Business Update Highlights

- PAVmed subsidiary Lucid Diagnostics completed an initial public offering of 5,000,000 shares of common stock at a price to the public of $14.00 per share for total gross proceeds of $70 million, before deducting underwriting discounts and commissions and estimated offering expenses. PAVmed converted convertible debt into equity prior to the consummation of the IPO and now holds approximately 76% of Lucid's outstanding shares of common stock. PAVmed and Lucid entered into an updated management services agreement pursuant to which PAVmed will continue to manage Lucid's operations.

- PAVmed and Lucid collectively expanded their head count to over 70 employees, with the bulk of the increase in Lucid's commercial sales team.

- Lucid continued to expand its network of Lucid Test Centers in cities across the Western U.S. with the launch of test centers in Denver, Salt Lake City and Las Vegas. Lucid is proceeding with the next phase in the program's growth, which will focus on the Pacific Northwest, and steady expansion nationwide thereafter

- PAVmed and Lucid are expanding their physical infrastructure to support both companies' growth. This quarter, PAVmed will launch its own dedicated product research and development facility in Foxborough, Massachusetts. Early next quarter Lucid expects to launch its own CLIA-certified diagnostic laboratory facility in Irvine, California. And PAVmed is currently securing space to launch its own dedicated low to medium volume medical device manufacturing facility in Salt Lake City.

- Lucid and UpScript, its independent telemedicine partner, are finalizing the Lucid-branded telemedicine platform which will accommodate self-referrals for EsoGuard testing from direct-to-consumer marketing. The EsoGuard Telemedicine program with direct-to-consumer marketing will launch as a pilot program in Phoenix in the coming weeks.

- Lucid continues to drive EsoGuard commercialization while growing, training and fundamentally transforming its sales infrastructure to a direct sales force increasingly focused on primary care physician referrals to Lucid Test Centers. Test volume during this transitional quarter was flat at 203 relative to the prior quarter, but up over 300% annually.

- Medicare Administrative Contractor Palmetto GBA's MolDx group held a Contractor Advisor Committee (CAC) meeting last month which included EsoGuard along with other tests in the gastroenterology space, suggesting that, after a long delay, it is actively reviewing coverage for EsoGuard. The expert panel voiced strong support for esophageal precancer screening in high-risk chronic heartburn patients.

- Lucid appointed highly accomplished molecular biologist Suman M. Verma, M.D., Ph.D. as its Chief Scientific Officer. Dr. Verma will also serve as PAVmed's VP, Molecular Diagnostics.

- EsoGuard was awarded “Diagnostics Innovation of the Year” at the BioTech Breakthrough’s annual awards program recognizing innovation in the global life sciences and biotechnology industry.

- PAVmed acquired CapNostics, LLC, which manufactures EsophaCap®—a U.S. FDA 510(k)-cleared and European CE Mark certified, non-endoscopic sponge-based esophageal cell collection device which has been used in pre-commercial clinical research of esophageal precancer biomarkers at major academic medical centers including Mayo Clinic and Johns Hopkins.

- PAVmed trained seven surgeons on the CarpX procedure and five more are scheduled to undergo training. Eleven Carp X procedures have been performed and eight have been scheduled.

- Veris Health was accepted into a Microsoft for global partnership program and entered into a definitive services agreement with leading full-service Silicon Valley-based full-stack software development firm Loka Inc. to build its remote digital healthcare platform.

- Veris appointed highly accomplished Silicon Valley technology executive Sunny Webb as its Chief Technology Officer. Ms. Webb will also serve as PAVmed’s VP, Molecular Diagnostics.

Summary and Preliminary Financial Results

The summary unaudited financial information provided herein includes separate preliminary results for the consolidated entities of PAVmed, Inc. as well as separate stand-alone summary and preliminary financial results presented for Lucid Diagnostics, Inc. PAVmed holds a majority ownership interest and has a controlling financial interest in each of: Lucid Diagnostics Inc., Solys Diagnostics Inc. and Veris Health Inc., with the corresponding noncontrolling interest recognized in the unaudited net loss attributable to the noncontrolling interest based on the respective minority interest equity ownership of each majority-owned subsidiary. Noncontrolling interest is also required by GAAP to be presented as a separate component of consolidated stockholders’ equity.

Lucid Diagnostics completed its IPO on October 14, 2021. Prior to this offering, PAVmed owned approximately 72.6% of the Lucid common stock. Concurrent with the offering, PAVmed converted its $22.4 million promissory note into Lucid common shares and purchased approximately 0.6 million shares in the offering. Accordingly, following the offering PAVmed increased its ownership and holds approximately 75.5% of the combined voting power of Lucid common stock and will remain Lucid’s controlling shareholder for the foreseeable future. Consequently, PAVmed’s financial statements will continue to be presented on a consolidated basis including incorporating Lucid Diagnostics results of operations with required GAAP disclosures recognizing amounts attributable to the noncontrolling interests similar to the same way it has incorporated Lucid’s financial results prior to the IPO and from the commencement of Lucid operations in 2018.

PAVmed (Nasdaq: PAVM) Preliminary Consolidated Financial Results

For the three months ended September 30, 2021, EsoGuard related revenues were $0.2

million and gross profit was $56 thousand. Operating expenses were approximately $13.7 million as detailed below including $4.0 million in stock-based compensation expense. GAAP net loss attributable to common stockholders was approximately $12.3 million, or $(0.15) per common share. As shown below and for the purpose of illustrating the effect of derivative accounting 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 September 30, 2021 was approximately $8.2 million or $(0.10) per common share.

PAVmed had cash and cash equivalents of $37.3 million as of September 30, 2021, compared with $17.3 million as of December 31, 2020. On a proforma basis, had the Lucid Diagnostics IPO occurred on September 30, 2021, cash would have been approximately $93.7 million after giving effect to underwriting commissions and financial advisory fees.

The unaudited financial results for the three and six months ended September 30, 2021, will be filed with the SEC on Form 10-Q in the coming days and will be available at www.pavmed.com or www.sec.gov. PAVmed has elected the automatic 5-day extension for filing its Form 10-Q for the third quarter. If filed on or before November 22, 2021, the SEC report will be considered timely filed. The Lucid Diagnostics Form 10-Q is due 45 days from the effective date of the IPO registration, or November 29, 2021. We intend to file both 10-Q's concurrently during the PAVmed extension period.

PAVmed Non-GAAP Measures

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 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 and six months ended September 30, 2021, and 2020 is as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
(ooo's except per-share amounts)	**2021**	**2020**	**2021**	**2020**
Revenue	$ 200	$ -	$ 200	$ -
Gross profit	56	-	56	-
Operating expenses	13,724	5,528	34,770	15,795
Loss from operations	(13,668)	(5,528)	(34,714)	(15,795)
Net income (loss) per common share, basic and diluted	$ (0.15)	$ (0.11)	$ (0.42)	$ (0.57)
Net loss attributable to common stockholders	(12,294)	(5,557)	(33,345)	(25,751)
Preferred Stock dividends and deemed dividends	67	74	216	215
Net income (loss) as reported	(12,227)	(5,483)	(33,129)	(25,536)
Adjustments:				
Depreciation and amortization expense[1]	38	8	60	17
Interest expense, net[2]	-	-	-	53
EBITDA	(12,189)	(5,475)	(33,069)	(25,466)
Other non-cash or financing related expenses:				
Stock-based compensation expense[3]	3,991	586	10,629	1,458
Debt extinguishment/debt forgiveness[2]	-	663	3,415	4,600
Acquisition related[1]	-	-	133	-
Change in FV convertible debt[2]	-	(367)	(1,682)	5,521
Offering costs convertible debt[2]	-	50	-	660
Non-GAAP adjusted (loss)	(8,198)	(4,543)	(20,574)	(13,227)
Basic and Diluted shares outstanding	83,307	48,381	79,874	45,564
Non-GAAP adjusted (loss) income per share	($ 0.10)	($ 0.09)	($ 0.26)	($ 0.29)

[1] Included in general and administrative expenses in the financial statements

[2] Included in other income and expenses

[3] **Stock-based compensation ("SBC") expenses:**

(ooo's except per-share amounts)	For the three months ended September 30,		For the nine months ended September 30,	
	2021	**2020**	**2021**	**2020**
Commercial operations expense total	2,432	687	5,792	1,532
Stock-based compensation expense	(341)	(85)	(840)	(183)
Net commercial operations expense excluding SBC	2,091	602	4,952	1,349
General and administrative expense total	5,987	2,222	16,100	6,942
Stock-based compensation expense	(3,339)	(363)	(9,062)	(948)
Net general and administrative expense excluding SBC	2,648	1,859	7,038	5,994
Research and development expense total	5,305	2,619	12,878	7,321
Stock-based compensation expense	(310)	(138)	(727)	(327)
Net research and development expense excluding SBC	4,995	2,481	12,151	6,994
Total operating expenses	13,724	5,528	34,770	15,795
Stock-based compensation expense	(3,990)	(586)	(10,629)	(1,458)
Net operating expenses excluding SBC	9,734	4,942	24,141	14,337

Lucid Diagnostics (Nasdaq: LUCD) Preliminary Financial Results

For the three months ended September 30, 2021, EsoGuard related revenues were $0.2 million and gross profit was $56 thousand. Operating expenses were approximately $6.6 million as detailed below including $2.8 million in stock-based compensation expense. GAAP net loss was approximately $7.0 million, or $(0.49) 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 September 30, 2021 was approximately $3.7 million or $(0.26) per common share.

Lucid had cash and cash equivalents of $21 thousand as of September 30, 2021, compared with $111 thousand as of December 31, 2020. On proforma basis had the Lucid Diagnostics IPO occurred on September 30, 2021, cash would have been approximately $64.4 million after giving effect to underwriting commissions and financial advisory fees.

The unaudited financial results for the three and six months ended September 30, 2021, will be filed with the SEC on Form 10-Q in the coming days and will be available at www.luciddx.com or www.sec.gov. The Lucid Diagnostics Form 10-Q is due 45 days from the effective date of the IPO registration, or November 29, 2021. We intend to file Lucid's 10-Q concurrently with PAVmed's Form 10-Q during the PAVmed extension period.

Lucid Non-GAAP Measures

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 and other non-cash income and expenses, if any. 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 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 and six months ended September 30, 2021, and 2020 is as follows:

	For the three months ended September 30,	For the nine months ended September 30,

(ooo's except per-share amounts)	2021	2020	2021	2020
Revenue	$ 200	$ -	$ 200	$ -
Gross profit	56	-	56	-
Operating expenses	6,566	2,022	16,234	5,549
Interest expense	447		594	
Net loss	(6,957)	(2,022)	(16,772)	(5,549)
Net income (loss) per common share, basic and diluted	$ (0.49)	$ (0.14)	$ (1.19)	$ (0.39)
Adjustments:				
Depreciation and amortization expense[1]	-	-	3	-
Interest expense, net[3]	447	-	594	-
EBITDA	(6,510)	(2,022)	(16,175)	(5,549)
Other non-cash or financing related expenses:				
Stock-based compensation expense[3]	2,772	16	6,157	49
Non-GAAP adjusted (loss)	(3,738)	(2,006)	(10,018)	(5,500)
Basic and Diluted shares outstanding	14,115	14,115	14,115	14,114
Non-GAAP adjusted (loss) income per share	($0.26)	($0.14)	($0.71)	($0.39)

[1] Included in general and administrative expenses in the financial statements

[2] Included in other income and expenses

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	**2020**	**2021**	**2020**
[3] **Stock-based compensation ("SBC") expenses:**				
Commercial operations expense total	978	335	2,689	672
Stock-based compensation expense	-	-	-	-
Net commercial operations expense excluding SBC	978	335	2,689	672
General and administrative expense total	3,398	471	7,731	1,260

Stock-based compensation expense	(2,695)	-	(5,988)	-
Net general and administrative expense excluding SBC	703	471	1,743	1,260
Research and development expense total	2,190	1,216	5,814	3,617
Stock-based compensation expense	(77)	(16)	(168)	(49)
Net research and development expense excluding SBC	2,113	1,200	5,646	3,568
Total operating expenses	6,566	2,022	16,234	5,549
Stock-based compensation expense	(2,772)	(16)	(6,156)	(49)
Net operating expenses excluding SBC	3,794	2,006	10,078	5,500

About PAVmed

PAVmed Inc. is a highly differentiated, multi-product, commercial-stage medical technology company with a diversified product pipeline addressing unmet clinical needs encompassing a broad spectrum of clinical areas with attractive regulatory pathways and market opportunities. Its major subsidiary, Lucid Diagnostics Inc. (Nasdaq: LUCD), markets the first and only commercial tools for widespread early detection of esophageal precancer and cancer – the EsoGuard® Esophageal DNA Test and EsoCheck® Esophageal Cell Collection Device. Its GI Health division also includes the complementary EsoCure™ Esophageal Ablation Device with Caldus™ Technology. Another major subsidiary, Veris Health Inc., is a digital health company developing the first intelligent implantable vascular access port with biologic sensors and wireless communication to improve personalized cancer care through remote patient monitoring. Its Minimally Invasive Interventions division markets its CarpX® Minimally Invasive Device for Carpal Tunnel Syndrome. Other divisions include Infusion Therapy (PortIO™ Implantable Intraosseous Vascular Access Device and NextFlo™ Intravenous Infusion Set), and Emerging Innovations (non-invasive laser-based glucose monitoring, pediatric ear tubes, and mechanical circulatory support). For more information, please visit www.pavmed.com, follow us on Twitter, connect with us on LinkedIn, and watch our videos on YouTube.

About Lucid Diagnostics

Lucid Diagnostics Inc. (Nasdaq: LUCD) is a commercial-stage, cancer prevention medical diagnostics company, and subsidiary of PAVmed Inc. (Nasdaq: PAVM). Lucid is focused on the millions of patients with gastroesophageal disease (GERD), also known as chronic heartburn, who are at risk of developing esophageal precancer and cancer. Lucid's EsoGuard® Esophageal DNA Test, performed on samples collected in a brief, noninvasive office procedure with its EsoCheck® Esophageal Cell Collection Device, is the first and only

commercially available diagnostic test capable of serving as a widespread screening tool to prevent cancer and cancer deaths through early detection of esophageal precancer in at-risk GERD patients. EsoGuard is commercialized in the U.S. as a Laboratory Developed Test (LDT). EsoCheck is commercialized in the U.S. as a 510(k)-cleared esophageal cell collection device. EsoGuard, used with EsoCheck, was granted FDA Breakthrough Device designation and is the subject of two large, actively enrolling, international multicenter clinical trials to support FDA PMA approval. Lucid is building a network of Lucid Test Centers where at-risk GERD patients can undergo the EsoCheck procedure for EsoGuard testing.

Forward-Looking Statements

This press release includes forward-looking statements that involve risks and uncertainties. Forward-looking statements are statements that are not historical facts. Such forward-looking statements, based upon the current beliefs and expectations of PAVmed'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, the ability to complete the initial public offering of Lucid; volatility in the price of PAVmed's common stock, Series W Warrants and Series Z Warrants; general economic and market conditions; the uncertainties inherent in research and development, including the cost and time required advance PAVmed's products to regulatory submission; whether regulatory authorities will be satisfied with the design of and results from PAVmed's preclinical studies; whether and when PAVmed's products are cleared by regulatory authorities; market acceptance of PAVmed's products once cleared and commercialized; our ability to raise additional funding and other competitive developments. PAVmed has not yet received clearance from the FDA or other regulatory body to market many of its products. The Company has been monitoring the COVID-19 pandemic and its impact on our business. The Company expects the significance of the COVID-19 pandemic, including the extent of its effect on the Company's financial and operational results, to be dictated by, among other things, the success of efforts to contain it and the impact of actions taken in response. New risks and uncertainties may arise from time to time and are difficult to predict. All of these factors are difficult or impossible to predict accurately and many of them are beyond PAVmed's control. For a further list and description of these and other important risks and uncertainties that may affect PAVmed's future operations, see Part I, Item IA, "Risk Factors," in PAVmed'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 after its most recent Annual Report. PAVmed disclaims 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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