April 11, 2018

PAVmed Reports Fourth Quarter and Full Year 2017 Financial Results

Conference call begins at 4:30 p.m. Eastern time today

NEW YORK--(BUSINESS WIRE)-- **PAVmed Inc. (Nasdaq:PAVM, PAVMZ**) (the "Company"), a highly differentiated, multiproduct medical device company, today reports financial results for the three and 12 months ended December 31, 2017 and provides a business update.

Management Commentary

"During the fourth quarter of 2017 and in recent months, PAVmed has continued to advance toward important regulatory and commercial milestones for its lead products, strengthened its financial position, streamlined its capital structure and continued to explore exciting strategic initiatives. We look forward to an eventful and productive 2018 with several key opportunities to significantly enhance shareholder value," said Lishan Aklog, M.D., PAVmed's Chairman and Chief Executive Officer.

"The most important near-term opportunity relates to our CarpX™ minimally invasive device to treat carpal tunnel syndrome. We are working closely with the U.S. Food and Drug Administration (FDA) on CarpX's 510(k) submission which we filed in late 2017. The agency's response was focused exclusively on documenting thermal spread in an animal model and on physician usability testing in cadavers. We agreed to submit animal data documenting that the bipolar electrode design results in minimal spread of thermal energy and the additional physician usability cadaver data. We expect to submit this additional data next month and look forward to an expeditious review and final positive response from the FDA soon thereafter. Meanwhile, as we await FDA clearance, our confidence in CarpX's groundbreaking clinical potential and over $1 billion U.S. market opportunity has only increased as the growing anticipation of its launch has generated numerous inquiries from physicians, patients and potential commercial partners in the U.S. and abroad. This energy has led us to accelerate our plans to perform first-in-man procedures this summer outside of the U.S., prepare for CE Mark submission in Europe in the third quarter and pursue distribution agreements in Europe, Asia and South America later this year. We also continue to lay the groundwork for our commercialization strategy which will employ a hybrid sales model in anticipation of 510(k) clearance this summer.

"With respect to PortIO™, our implantable intraosseous vascular access device, during the fourth quarter we filed a regulatory pre-submission for a de novo classification, which includes all testing completed for the previous application along with limited additional testing to support the longer, seven-day implant indication. The pre-submission was reviewed during a productive in-person meeting with the FDA earlier this year. The agency provided detailed guidance on a seven-day animal study and we expect will request human safety data in the form of a small, single-arm clinical study to follow the animal study. We are

preparing an IDE application in anticipation of the formal request for the clinical study. The animal study is underway with excellent initial results documenting, for the first time, an implantable intraosseous device being successfully accessed multiple times over a seven-day study period as well as complete healing on explant. We are developing a second generation PortIO device with improved procedural safety and efficiency, which will be ready in time for the clinical study. We have decided to shift our discussions with potential strategic partners to include support of the expected clinical study as part of a broader distribution, licensing or acquisition agreement. As with CarpX, the anticipation for PortIO has grown and we are accelerating our plans to perform first-in-man procedures and seek commercial partners outside the U.S.

“DisappEAR™, our resorbable, anti-microbial pediatric ear tube, is progressing along the development path as planned, with a strong focus on sourcing the raw silk material and creating an optimized manufacturing process consistent with our commercial parameters,” added Dr. Aklog. “The unique academic medical center partnership model underlying the DisappEAR product has led other such centers to propose partnership opportunities involving groundbreaking innovations with large market opportunities. We hope to consummate at least one such partnership in the very near future.

“During this past quarter, we strengthened our balance sheet, raising approximately $4.3 million in net proceeds from an underwritten shelf offering of common stock, providing us with adequate capital into the first quarter of 2019, and most importantly through the anticipated regulatory clearance and commercial launch of CarpX. We streamlined our capital structure by consolidating several classes of preferred securities, eliminating burdensome anti-dilution provisions, and decreasing our warrant overhang through a successful tender offer whereby 97% of the warrants issued in our IPO were exchanged for half as many six-year Nasdaq-listed Series Z Warrants exercisable for $3.00.

“Finally, we are looking forward to launching our previously announced rights offering in the coming weeks. All holders of common stock as of the record date of the offering will be granted one right to purchase a new unit consisting of a share common stock and a Series Z Warrant for $2.25. Anticipated proceeds from the exercise of these rights will be used to extend our working capital runway, accelerate the commercialization of CarpX once cleared and potentially retire debt,” Dr. Aklog concluded.

Financial Results

Research and development expenses for the three months ended December 31, 2017 were $555,476. General and administrative expenses for the three months ended December 31, 2017 were $1,332,958.

For the three months ended December 31, 2017, GAAP net income attributable to common stockholders was $309,685, or $0.02 per common share. As illustrated below and for the purpose of helping the reader to understand the effect of derivative accounting for non-cash income and expenses on the Company’s financial results, the Company reported a non-GAAP adjusted loss for the three months ended December 31, 2017 of $1,637,784, or $0.12 per common share.

Research and development expenses for the year ended December 31, 2017 were $2,618,795. General and administrative expenses for the year ended December 31, 2017

were $5,415,324.

PAVmed reported an operating loss for the year ended December 31, 2017 of $9,519,269 and a GAAP net loss of $10,398,134. Included in the GAAP net loss were interest expense of $724, 684 and other non-cash charges totaling $1,815,703 related to the issuance of Series A Preferred stock, net of changes in the fair value of Series A warrant liability and related changes in fair value of a Series A Convertible Preferred Stock conversion option embedded derivative liability. Also included was a non-cash charge for stock-based compensation expense of $1,048,127 and depreciation expense of $7,110.

PAVmed had cash and cash equivalents of $1,535,022 as of December 31, 2017, compared with $585,680 as of December 31, 2016. In January 2018, the Company completed a public offering of its common stock for net proceeds of approximately $4.3 million.

The audited financial results for the year ended December 31, 2017 as reported to the SEC on Form 10-K can be obtained at www.pavmed.com or www.sec.gov.

Non-GAAP Measures

To supplement our unaudited financial results presented in accordance with U.S. generally accepted accounting principles (GAAP) in our Annual Report on Form 10-K, 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 of the Series A Preferred Stock Units, the change in fair value of the Series A Warrant liability and the change in fair value of the Series A Convertible Preferred Stock conversion option embedded derivative liability. 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 of the Series A Preferred Stock Units and the corresponding derivative 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 twelve months ended December 31, 2017 and 2016 is as follows:

	Three Months Ended December 31,		Year Ended December 31,	
	2017	**2016**	**2017**	**2016**
Net income (loss) per common share, basic and diluted	$ 0.02	$ (0.13)	$ (0.77)	$ (0.44)
Net loss attributable to common stockholders	309,685	(1,710,514)	(10,398,134)	(5,650,851)
Preferred Stock dividends	560,160	-	878,865	-
Net loss as reported	869,845	(1,710,514)	(9,519,269)	(5,650,851)
Adjustments:				
Depreciation expense[1]	1,803	1,478	7,110	3,793
Interest expense, net	362,542	-	724,684	-
Income tax (benefit) expense	-	-	-	-
EBITDA	1,234,190	(1,709,036)	(8,787,475)	(5,647,058)
Other non-cash expenses:				
Stock-based compensation expense[2]	248,846	247,737	1,048,127	747,365
Loss from issuance of Preferred Stock Units[3]	-	-	3,124,285	-
Change in fair value of Series A Warrant Liabiity[3]	(2,623,352)	-	(1,942,501)	-
Change in fair value of Series A Preferred Stock conversion option embedded derivative liabiity[3]	(719,468)	-	(643,318)	-
Modification of Series A-1 warrant agreement	222,000		222,000	
Non-GAAP adjusted (loss)	(1,637,784)	(1,461,299)	(6,978,882)	(4,899,693)
Basic and Diluted shares outstanding at December 31	13,983,689	13,317,672	13,495,951	12,972,153
Non-GAAP adjusted (loss) income per share	($0.12)	($0.11)	($0.52)	($0.38)

1 Included in general and administrative expenses in the financial statements

2 The three and twelve months ended December 31, 2017 includes $217,946 and $925,534, respectively, of stock-based compensation expense reported as general and administrative expenses and $30,900 and $122,953, respectively, reported as research and development expense. The three and twelve months ended December 31, 2016 includes $216,836 and $664,068, respectively, of stock-based compensation expense reported as general and administrative expenses and $30,901 and $83,297, respectively, reported as research and development expense.

3 Included in other income and expenses in the financial statements.

Conference Call and Webcast

The Company will hold a conference call and webcast today beginning at 4:30 p.m. Eastern time. During the call, Dr. Aklog will provide a business update including an overview of the Company's near-term milestones and growth strategy. In addition, Dennis McGrath, the Company's Chief Financial Officer, will discuss 2017 financial results.

To access the conference call, U.S.-based listeners should dial (888) 803-5993 and international listeners should dial (706) 634-5454. All listeners should provide the operator with the following passcode: 8357049. Individuals interested in listening to the live conference call via the internet may do so by visiting the Company's website at

www.pavmed.com.

Following the conclusion of the conference call, a replay will be available through April 16, 2018 and can be accessed by dialing (855) 859-2056 from within the U.S. or (404) 537-3406 from outside the U.S. To access the replay, all listeners should provide the following passcode: 8357049. The webcast will be available for a period of time on the Company's website at www.pavmed.com.

About PAVmed

PAVmed Inc. is a highly differentiated, multiproduct medical device company employing a unique business model designed to advance innovative products to commercialization much more rapidly and with significantly less capital than the typical medical device company. This proprietary model enables PAVmed to pursue an expanding pipeline strategy with a view to enhancing and accelerating value creation. PAVmed's diversified pipeline of products address unmet clinical needs encompassing a broad spectrum of clinical areas with attractive regulatory pathways and market opportunities. Its three lead products provide groundbreaking approaches to carpal tunnel syndrome (CarpX™), vascular access (PortIO™) and pediatric ear infections (DisappEAR™). The company is also developing innovative products in other areas, such as medical infusions and tissue ablation, while seeking to further expand its pipeline through engagements with clinician innovators and leading academic medical centers. For further information, please visit www.pavmed.com.

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, volatility in the price of PAVmed's common stock, Series W Warrants and Series Z Warrants; 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 any of its products. 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 Reports 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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