

Trickle Research

Every raging river, every great lake, every
deep blue sea starts ... with a trickle



Research Note



BioSig Technologies, Inc.

(NasdaqCM: BSGM)

Report Date: 12/11/20

12- 24 month Price Target: \$8.25

Allocation: 3

Closing Stock Px at Initiation (Closing Px:04 /03/20): \$5.14

Closing Stock Px at Allocation Downgrade (Closing Px:05 /13/20): \$10.99

Closing Stock Px at Allocation Upgrade and Target Downgrade (Closing Px:11/19/20): \$4.08

Closing Stock Px at This Update (Closing Px:12/10/20): \$4.87

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Disclosure: Portions of this report are excerpted from BioSig's filings, website(s), presentations or other public collateral. We have attempted to identify those excerpts by *italicizing* them in the text.

Today, BioSig announced a very topical milestone for the Company. Here is the gist of that announcement:

Westport, CT, Dec. 11, 2020 (GLOBE NEWSWIRE) -- BioSig Technologies, Inc. (NASDAQ: BSGM) ("BioSig" or the "Company"), a medical technology company commercializing an innovative signal processing platform designed to improve signal fidelity and uncover the full range of ECG and intra-cardiac signals, today announced the purchase of three PURE EP™ Systems by St. David's HealthCare of Austin, Texas. St. David's Medical Center, an HCA Healthcare owned hospital, has been recognized with a Malcolm Baldrige National quality award – the highest presidential honor for performance excellence.

"Our first commercial sale to St. David's HealthCare is an important milestone as we proceed in expanding our installed base nationwide," said Kenneth L. Londoner, Chairman, and CEO of BioSig Technologies, Inc. "This installation cements our valued relationship with St. David's and adds to the traction we are gaining in the electrophysiology (EP) market.

BioSig installed the first PURE EP™ System at St. David's Medical Center in November 2019. Shortly thereafter, Texas Cardiac Arrhythmia Institute (TCAI) at St. David's Medical Center conducted the first patient cases under the Company's clinical study, "Novel Cardiac Signal Processing System for Electrophysiology Procedures (PURE EP 2.0 Study)."

To date, more than 410 patient procedures have been conducted with the PURE EP™ System across six different hospital sites in the United States, with over 200 procedures performed at TCAI.

Just to recap, we started covering BioSig because we felt like the Company was well positioned to begin the commercialization of their PURE EP™ ECG and intra-cardiac signal platform. The attention on that progress was diverted a bit when the Company concurrently pursued the development of a Covid19 therapy that ultimately failed in the clinic. We will not rehash that here, as that discussion is available in our prior update.

Circling back, while BioSig has deployed several PURE EP™ systems at major facilities around the country for evaluation (and clinical study), this announcement marks the first actual sale. Moreover, the sale involved multiple units into the same system. Also, subscribers may recognize that this particular system is one we have noted in prior research, and it represents one of the premier cardiac systems in the country. We think this represents a marked milestone in that it validates what we have believed regarding the value of the technology, but also the potential for the Company to sell multiple units into a single system. We believe the latter of those two issues provides additional support to the notion that PURE EP™ could become a standard in cardiac ablation. If that were to become the case, we are comfortable suggesting that the Company's value will likely be measurably higher than our current target(s). We may reassess both our targets and our allocations as we move forward.

We have not taken the time to update the model to reflect what should be a bit better 4Q revenue numbers than we are reflecting, although we were anticipating the first sale in 4Q. We will make that adjustment following the yearend filing.

Projected Operating Model

BioSig Technologies, Inc.						
Projected Operating Overview						
By: Trickle Research LLC						
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS	(actual)	(actual)	(actual)	(estimate)	(estimate)	(estimate)
	<u>3/31/2020</u>	<u>6/30/2020</u>	<u>9/30/2020</u>	<u>12/31/2020</u>	<u>Fiscal 2020</u>	<u>Fiscal 2021</u>
Revenues:						
Unit Sales	\$ -	\$ -	\$ -	\$ 190,000	\$ 190,000	\$ 7,200,000
Recurring Maintenance and Service Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -		
Total Revenue	\$ -	\$ -	\$ -	\$ 190,000	\$ 190,000	\$ 7,250,000
Cost of Goods	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000	\$ 1,200,000
Gross Profit (Loss)	\$ -	\$ -	\$ -	\$ 150,000	\$ 150,000	\$ 6,050,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses:	\$ -	\$ -	\$ -	\$ -	\$ -	
Research and development	\$ 4,926,714	\$ 5,718,184	\$ 4,910,827	\$ 4,705,700	\$ 20,261,425	\$ 7,917,500
General and administrative	\$ 7,845,220	\$ 16,608,211	\$ 8,165,488	\$ 6,713,800	\$ 39,332,719	\$ 20,245,000
Depreciation and amortization	\$ 21,015	\$ 22,208	\$ 23,869	\$ 23,917	\$ 91,009	\$ 96,146
Total operating expenses	\$ 12,792,949	\$ 22,348,603	\$ 13,100,184	\$ 11,443,417	\$ 59,685,153	\$ 28,258,646
Loss from operations	\$ (12,792,949)	\$ (22,348,603)	\$ (13,100,184)	\$ (11,293,417)	\$ (59,535,153)	\$ (22,208,646)
Other income (expense):	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gain on change in fair value of derivatives	\$ -	\$ (1,161)	\$ -	\$ -	\$ (1,161)	\$ -
Interest income	\$ 39,576	\$ 3,454	\$ 1,743	\$ -	\$ 44,773	\$ -
Loss before income taxes	\$ (12,753,373)	\$ (22,346,310)	\$ (13,098,441)	\$ (11,293,417)	\$ (59,491,541)	\$ (22,208,646)
Income taxes (benefit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net loss	\$ (12,753,373)	\$ (22,346,310)	\$ (13,098,441)	\$ (11,293,417)	\$ (59,491,541)	\$ (22,208,646)
Preferred stock dividend	\$ (4,618)	\$ (4,700)	\$ (2,381)	\$ (4,700)	\$ (16,399)	\$ (18,800)
NET LOSS AVAILABLE TO COMMON STOCKHOLDERS	\$ (12,757,991)	\$ (22,351,010)	\$ (13,100,822)	\$ (11,298,117)	\$ (59,507,940)	\$ (22,227,446)
Non-controlling interest	\$ (1,427,813)	\$ (3,158,025)	\$ (1,696,582)	\$ -	\$ (6,282,420)	\$ -
NET LOSS ATTRIBUTABLE TO BIOSIG TECHNOLOGIES, INC.	\$ (11,330,178)	\$ (19,192,985)	\$ (11,404,240)	\$ (11,298,117)	\$ (53,225,520)	\$ (22,227,446)
Net loss per common share, basic (in Dollars per share)	\$ (0.44)	\$ (0.72)	\$ (0.38)	\$ (0.37)	\$ (1.92)	\$ (0.73)
	\$ (0.44)	\$ (0.72)	\$ (0.38)	\$ (0.37)	\$ (1.91)	\$ (0.72)
Weighted average number of common shares outstanding, basic (in Shares)	25,705,604	26,537,058	29,750,378	30,144,512	28,034,388	30,532,615
Weighted average number of common shares outstanding, diluted (in Shares)	30,484,085	30,600,245	30,715,261	30,827,982	30,937,776	31,438,247

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Rating System Overview:

There are no letters in the rating system (Buy, Sell Hold), only numbers. The numbers range from 1 to 10, with 1 representing 1 "investment unit" (for my performance purposes, 1 "investment unit" equals \$250) and 10 representing 10 investment units or \$2,500. Obviously, a rating of 10 would suggest that I favor the stock (at respective/current levels) more than a stock with a rating of 1. As a guideline, here is a suggestion on how to use the allocation system.

Our belief at Trickle is that the best way to participate in the micro-cap/small cap space is by employing a diversified strategy. In simple terms, that means you are generally best off owning a number of issues rather than just two or three. To that point, our goal is to have at least 20 companies under coverage at any point in time, so let's use that as a guideline. Hypothetically, if you think you would like to commit \$25,000 to buying micro-cap stocks, that would assume an investment of \$1000 per stock (using the diversification approach we just mentioned, and the 20-stock coverage list we suggested and leaving some room to add to positions around allocation upgrades. We generally start initial coverage stocks with an allocation of 4. Thus, at \$1000 invested per stock and a typical starting allocation of 4, your "investment unit" would be the same \$250 we used in the example above. Thus, if we initiate a stock at a 4, you might consider putting \$1000 into the position ($\250×4). If we later raise the allocation to 6, you might consider adding two additional units or \$500 to the position. If we then reduce the allocation from 6 to 4 you might consider selling whatever number of shares you purchased with 2 of the original 4 investment units. Again, this is just a suggestion as to how you might be able to use the allocation system to manage your portfolio.

For those attached to more traditional rating systems (Buy, Sell, Hold) we would submit the following guidelines.

A Trickle rating of 1 thru 3 would best correspond to a "Speculative Buy" although we would caution that a rating in that range should not assume that the stock is necessarily riskier than a stock with a higher rating. It may carry a lower rating because the stock is trading closer to a price target we are unwilling to raise at that point. This by the way applies to all of our ratings.

A Trickle rating of 4 thru 6 might best (although not perfectly) correspond to a standard "Buy" rating.

A Trickle rating of 7 thru 10 would best correspond to a "Strong Buy" however, ratings at the higher end of that range would indicate something that we deem as quite extraordinary..... an "Extreme Buy" if you will. You will not see a lot of these.