



August 29, 2018

Company Update

Industry: Medical Technology

PETVIVO HOLDINGS, INC. Making All the Right Moves

Analyst: Rob Goldman

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PETVIVO HOLDINGS, INC. (OTC – PETV - \$0.715)

Rating: Speculative Buy

Price Target: \$3.00

COMPANY SUMMARY

PetVivo is an emerging biomedical device company focused on the licensing and commercialization of innovative medical devices for pets and pet therapeutics. PetVivo is leveraging investments made in the human medical device industry to commercialize therapeutics for pets in a capital and time efficient way. A key component of this strategy is the accelerated timeline to revenues for veterinary medical devices, which enter the market much earlier than the more stringently regulated pharmaceuticals.

KEY STATISTICS

Price as of 8/28/18	\$0.715
52 Week High – Low	\$2.50 - \$0.22
Est. FD Shares Out.	24.0M
Market Capitalization	\$17.2M
Average Volume	4,052
Primary Exchange	OTCPK
Fiscal Year	March 31

CORPORATE INFORMATION

PetVivo Holdings, Inc.
5251 Edina Industrial Blvd
Edina MN 55439

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Website: www.PetVivo.com
Email: info1@petvivo.com

INVESTMENT HIGHLIGHTS

Conclusion: It may not be flashy, but PetVivo Holdings continues to make all the right moves vis-à-vis its infrastructure, approach, target market, and product roadmap. In our view, investors could be handsomely rewarded given the current share price. In fact, we believe PETV could be a triple from current levels.

Expanding Leadership: In the past 2 weeks, PETV has announced it has signed on a new Chief Science Officer (CSO) and 3 new independent board members---with sterling and enviable reputations in life sciences and animal sciences and corporate finance. We believe the quality of this Board of Directors rivals that of most \$500M market cap, NASDAQ-listed companies.

New move saves \$ and enhances infrastructure. Earlier this month, PETV moved its manufacturing facility to St. Paul from Rochester MN, and created a new R&D lab. The change reduces operational costs, improves efficiencies across segments and fosters product and innovation.

KUSH™ sales penetrating target market. Veterinarians are very pleased with the efficacy and seamless use of KUSH™ resulting in repeat sales and sales penetration. We believe that the sales build will reflect a major push following early 2019 trade shows.

This space is hot and PETV will benefit. One of the leaders in the veterinary space just acquired a veterinary diagnostics company for \$1.9B, or 6.3x next year's revenue. Our \$3 target is based upon a 6x sales P/S multiple and affirmed by a Net Present Value (NPV) calculation. Thus, we rate PETV Speculative Buy.



A CLOSER LOOK: NEW LEADERSHIP

The New CSO, **Dr. Daniel Collins**, will guide the development of the KUSH™ System and derivative products for future Regenerative Medical applications in the Veterinary market and adaptation of those developments for the Human Regenerative Medicine field.

Dr. Daniel Collins has over 30 years of medical industry experience. He co-founded CytoMedical Design, LLC in 2012 serving as its Chief Science Officer. Previously, he co-founded BioE, Inc., in 1993 and served as its Executive Vice President, Chief Scientific Officer and Board member. Before founding BioE, Dr. Collins was Director of R&D Systems, Inc.'s Flow Cytometry Products department; Director of Coulter Corporation's hematology lab within its Immunology division; and Director of the Harrington Cancer Center's Immunology, Hematology and Oncology specialty laboratory. He also was an assistant professor at Texas Tech University.

Additionally, Dr. Collins was awarded a postdoctoral National Institute of Health fellowship in tumor immunology at Wake Forest University. He holds a Doctorate degree in immunoparasitology from Louisiana State University; a Master of Science degree in public health in tropical medicine from Tulane University; and a Bachelor's degree from Long Island University.

New Board Members

Sherry Grisewood, CFA is a Chartered Financial Analyst who since 2014 has served as a Director, Chair of the Audit Committee and a member of the Compensation Committee of **TapImmune, Inc. (NASDAQ – TPIV – NR)**, which is a leader in the development of certain cancer treatment immunotherapies. Ms. Grisewood also is the co-founder and Director of Mobitech Regenerative Medicine, a private medical device company.

From December 2012 to June 2017, Ms. Grisewood was associated with Dawson James Securities, Inc., first as Managing Director of Corporate Finance and later as Managing Partner, Life Science Research. For a 12-year period prior to Dawson James, she led Lifesciences investment banking practices for two New York investment banks and also was an independent strategic advisor for various life science companies. Ms. Grisewood has over 30 years of securities industry experience in a broad range of investment banking, advisory and research-related activities while participating in over 70 major transactions for life science and medical device companies involving initial public offerings, secondary offerings, PIPEs and other private equity transactions, as well as M&A and licensing transactions.



Robert Rudelius since 2001 has been the Managing Director and Chief Executive officer of Noble Ventures, LLC, which he founded to provide comprehensive advisory and consulting services to early-stage companies primarily engaged in information technology (IT) development or medical technology and devices. From 2010 to the present, Mr. Rudelius has served on the Board of Directors of AxoGen, Inc., (NASDAQ – AXGN – NR) the leading company focused specifically on the science, development and commercialization of technologies for peripheral nerve regeneration and repair. From April 1999 to May 2001 when it was acquired by Starnet L.P., Mr. Rudelius was the founder and CEO of Media DVX, Inc., which provided satellite-based advertising services to network and cable television stations throughout North America. From April 1998 to April 1999, he was President and COO of Control Data Systems, Inc., while reorganizing and repositioning this software company, resulting in its successful sale to British Telecom.

For a three-year period prior to April 1998, Mr. Rudelius was a founding Managing Partner of AT&T Solution's Media, Entertainment & Communications Industry Group, and prior thereto for more than six years he was a partner in McKinsey & Company's Information, Technology and Systems practice. Mr. Rudelius began his business career during a 10-year period at Arthur Anderson & Co.'s Chicago consulting division, where he served as a senior manager in the firm's financial systems consulting practice. Mr. Rudelius received an MBA degree from the Kellogg School of Management at Northwestern University.

Joseph Jasper, CFA is a Chartered Financial Analyst who since 2005 has been Chief Executive Officer of Vermillion Research, an institutional investment firm, while being responsible for its day-to-day operational management. From 2002 to 2005, Mr. Jasper was Managing Director and Director of Fixed Income and Marketing for Piper Jaffray Company. Prior to 2002, he spent 20 years managing, structuring and selling fixed income and equity securities at several leading investment banking firms, including U.S. Bancorp Libra and UBS PaineWebber.

Mr. Jasper also serves as Vice Chairman of the Board of Directors of MicroNet, Inc., and as a Director of Windigo Logistics, both privately-held companies. He has previously served as a Director or principal advisor to many operating and venture-stage companies across a broad range of industries. Mr. Jasper received an MBA degree from the University of St. Thomas, where he also has served as its Adjunct Professor of Finance.



High Value Deal

Zoetis (NYSE – ZTS – NR), the 800-pound gorilla in the veterinary space (with a \$43 billion market cap) last month closed an acquisition that, in our view, affirms our price target and future valuation for PetVivo. Zoetis acquired Abaxis, Inc., a leader in veterinary and human diagnostics. Zoetis stated it bought the company for its point-of-care (PoC) veterinary solutions. It should be noted that Zoetis paid \$1.9 billion in cash, which represents 6.3x next year's sales for Abaxis.

This transaction is relevant and instructive for a few reasons. First, the valuation matches our NPV and price target valuation methodology. Second, it illustrates the appetite for firms with PoC offerings in the veterinary space. Finally, with a dual target market (human and animal health), this deal demonstrates the value of penetrating the human treatment market as well. This migration is a cornerstone of the evolution, leverage and future value of the core PetVivo ortho-treatment platform.



SENIOR ANALYST: ROBERT GOLDMAN

Rob Goldman joined Marble Arch Research as Managing Director, Research in 2016. He founded and has operated Goldman Small Cap Research Inc. since 2009. Rob has over 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

ANALYST CERTIFICATION

I, Robert Goldman, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

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