

Daxor Corporation

Initiating Coverage with BUY and \$20 Target

Patented and FDA approved blood volume measuring equipment represents a game-changing opportunity for this Investment Company.

United States
Healthcare

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COVERAGE INITIATION

Rating: BUY

Ticker: DXR

Price: \$9.52

Target: \$20.00

Initiating with BUY: We are initiating coverage of Daxor Corporation with a BUY rating and \$20 price target. Daxor is an Investment Company with medical instrumentation and biotechnology operations. The company currently reports results as an Investment Company but we believe that will change as the company's medical business grows and becomes a larger asset than its investment portfolio, which may happen later this year or early next.

Clinically proven results, in use in over 65 hospitals and insurance approved: Daxor manufactures an FDA approved blood volume measurement system (BVA-100) that cardiologists use to measure the volume of a patient's blood and the exact composition of plasma and red blood cells. Use of this device, for which there is no comparable, was proven in a study published in November 2018 in the Journal of the American College of Cardiology to significantly reduce readmissions in patients who were previously treated for heart failure (HF) and significantly reduced mortality. Medicare now ranks hospitals on quality and there are financial penalties for having poor outcomes (like readmittance within 30 days for what should have been cured) and for having poor quality in general. Getting the BVA-100 into hospitals is a way to improve patient outcomes and this matters to administrators. List price of the BVA-100 is \$85K and each test kit is \$325.

HF market opportunity: Heart failure represents one of the largest areas of healthcare spending and one of the most significant treatment challenges for approximately 6 million U.S. patients a year. One million of these will require hospitalization. Because hospitals cannot tell which patients will require re-admission, and re-admission can reduce insurance payments, the objective of DXR is make use of its BVA-100, part of the standard of care. If a quarter of all HF hospital admissions were to get the \$325 test as part of its standard of care, the market would be \$81 million annually. If a quarter of all U.S. hospitals were to purchase the BVA-100, it would represent a \$125 million of equipment sales. As the BVA-100 is only in 65 hospitals now, the combined near-term opportunity exceeds \$200 million.

Additional longer-term market opportunities: Other blood volume measurement opportunities exist in hospitalized critical care, sepsis, burns, and both high and low blood pressure. If 12.5% of patients in that category were tested for blood volume, the market opportunity would reach nearly \$6 billion. Expanding outside the U.S. may easily double the size of any of these opportunities.

Expanding sales and marketing efforts: Daxor is hiring sales reps and building out a sales team to address both doctors and hospital administrators using the newly published data from the *Journal of the American College of Cardiology* on improved patient outcomes to expand awareness.

Current valuation attractive: Our \$20 price target is derived from both our estimate of BVA-100 equipment and supplies sales in 2020 and the average sales multiple of peers. Critical to our analysis is that DXR would have to report BVA-100 revenue to achieve our target.

Company Description

Based in New York City, with manufacturing and operations facilities in Oak Ridge, TN, Daxor is an investment company with medical instrumentation and biotechnology operations.

Stock Data

Exchange:	NYSE American
52-week Range:	\$4.30 – 19.95
Shares Outstanding (million):	3.7
Market cap (\$million):	\$40
EV (\$million):	\$40
Assets (\$million):	\$18
Liabilities (\$million):	\$5
Avg. Daily Trading Vol. (\$million):	\$0.5
Float (million shares):	0.8
Short Interest (million shares):	0.2
Dividend, (annual Yield)	\$0 (NA%)

Revenues (US\$ million)

	<u>2018A</u> (Cur.)	<u>2019E</u> (Cur.)	<u>2020E</u> (Cur.)
Q1 Mar	NA	NA	NA
Q2 Jun	NA	NA	NA
Q3 Sep	NA	NA	NA
Q4 Dec	NA	NA	NA
Total	NA	2E	12E
EV/Revs	NA	20x	3.33x

Earnings per Share (pro forma)

	<u>2018E</u> (Cur.)	<u>2019E</u> (Cur.)	<u>2020E</u> (Cur.)
Q1 Mar	NA	NA	NA
Q2 Jun	NA	NA	NA
Q3 Sep	NA	NA	NA
Q4 Dec	NA	NA	NA
Total	NA	NA	NA
P/E	NA	NA	NA

Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 11.

Exhibit 1: Daxor Corporation's Stock Price (5-years)



Source: Nasdaq.com

INVESTMENT THESIS

We are initiating coverage of Daxor with a BUY rating and a 12-month price target of \$20.00.

Based in New York City, with its manufacturing and operations facilities in Oak Ridge, TN, Daxor is an Investment Company with medical instrumentation and biotechnology operations. The company currently reports results as an Investment Company but we believe that will change as the company's medical business grows and becomes a larger asset than its investment portfolio, which may happen later this year or early next.

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Expanding sales and marketing efforts: Daxor is hiring sales reps and building out a sales team to address both doctors and hospital administrators using the newly published data from the *Journal of the American College of Cardiology* on improved patient outcomes to expand awareness.

Current valuation attractive: We calculate a 12-month price target for shares of Daxor, based on a multiple of sales. Our \$20 price target is derived from both our estimate of BVA-100 equipment and supplies sales in 2020 and the average sales multiple of peers. Critical to our analysis is that DXR would have to report BVA-100 revenue to achieve our target.

DAXOR HISTORY AND ACCOUNTING FOR ITS OPERATING COMPANY

Daxor Corporation is a medical device manufacturing company which provides additional biotechnology services and was originally incorporated in New York State as Iatric Corporation in May 1971 for cryobanking services. In October 1971, the name Iatric Corporation was changed to Idant Corporation. In May 1973, the name Idant Corporation was changed to Daxor Corporation.

Since 1995, the Company's major focus has been the creation and development of the BVA-100[®] Blood Volume Analyzer, an instrument that rapidly and accurately measures human blood volume. This instrument is used in conjunction with Volumex[®], a single-use radiopharmaceutical diagnostic injection and collection kit. The Company also owns the Daxor Oak Ridge Operations (DORO) facility in Oak Ridge, TN, which manufactures, tests, and develops next-generation models of the BVA-100[®].

In 2005 and 2007, the Company and Dr. Joseph Feldschuh, its President and Chief Executive Officer at the time, respectively, received Wells Notices from the Securities and Exchange Commission ("SEC") requesting their comments on the SEC Staff's view that the Company was in violation of Section 7(a) of the Investment Company Act in that it was operating as an unregistered investment company. The Company and Dr. Feldschuh responded to those requests when made.

In November 2009, the staff of the Northeast Regional Office of the SEC contacted the Company and invited both the Company and Dr. Feldschuh to make a new Wells submission based upon more recent operations and results. The Company and Dr. Feldschuh responded to the staff's invitation on December 20, 2009.

The Company disclosed in its Form 10-Q for September 30, 2010, Form 10-K for December 31, 2010 and Form 10-Q's for March 31, 2011, June 30, 2011 and September 30, 2011 that the SEC instituted administrative proceedings pursuant to the Investment Company Act of 1940 on September 17, 2010. The New York City staff of the Enforcement Division of the SEC claimed that Daxor is primarily an investment company and not primarily an operating company.

The Company has disclosed in previous public filings that it is dependent upon earnings from its investment portfolio to fund operations and that a single individual, Dr. Joseph Feldschuh, makes all investment decisions.

The administrative proceeding took place from March 7, 2011 through March 9, 2011 in New York City. The Company felt strongly that the extensive documentation of its history of operations presented at the administrative proceeding demonstrated that it is primarily an operating medical instrumentation and biotechnology company and not primarily an investment company.

On August 31, 2011, an Administrative Law Judge of the SEC issued his decision finding Daxor to be an Investment Company as defined by the Investment Company Act of 1940. A major factor in the decision was his opinion that Daxor is in the business of investing and more than 40% of its assets are comprised of investment securities.

Although the company was required to file as an investment company, its goal is to continue to fund the growth of the BVA-100 market and return to reporting as an Operating Company.

Based in New York City, with its manufacturing and operations facilities in Oak Ridge, TN, Daxor is an Investment Company with medical instrumentation and biotechnology operations. The company currently reports results as an Investment Company, filing N-CSR and N-CRSS but we believe that will change as the company's medical business grows and becomes a larger asset than its investment portfolio, which may happen later this year or early next. It is dependent on both the size of the Operating Company, and the acquiescence of the SEC. The "size" of the Operating Company is determined by an outside professional valuation company

The Operating Company is classified as a Level 3 Asset. The Company's Level 3 asset consists of its investment in its wholly owned Operating Division at fair value and requires significant judgment due to the absence of quoted market prices, inherent lack of liquidity, heavy reliance on Level 3 inputs, and the long-term nature of such investments. Since its inception, the Operating Division has not generated significant revenue and has incurred substantial operating losses. Due to these substantial losses, the Operating Division has been completely dependent on funding from the Company to sustain its operations. Investment in Operating Division is primarily located in Oak Ridge, Tennessee and was initially valued at transaction value for identified assets (property and equipment, land, buildings and laboratory equipment), less accumulated depreciation adjusted for investment in/advances to operating division, business operations and activity and realized losses. Based on Company initiatives started in 2016 and through 2018, related to potential partnerships, joint ventures, product development, marketing and other operations of the Operating Division, the Company hired an independent valuation company to perform a valuation of the Operating Division. The independent valuation company updated the initial 2016 valuation and subsequent valuations at December 31, 2017 and 2018, respectively, using the Income Approach and Market Approaches as defined in SFAS 157 (ASC 820). Based on the valuation approaches, the valuation ranges were \$5,400,000 to \$5,900,000 for the Income Approach at December 31, 2018. In determining the Income Approach value range, the Gordon Growth Model valuation technique was used with a discount rate of 30% and long-term growth rate of 3.0%. Significant increases (decreases) in these unobservable inputs in isolation could result in significant changes in fair value measurements. The Income Approach was weighted 100% given the current financial performance and expectations as to longer-term revenue growth and profitability resulting in a midpoint of value range of \$5,650,000. We view this valuation as what would be recovered in a fire-sale.

PRODUCTS OF THE OPERATING COMPANY

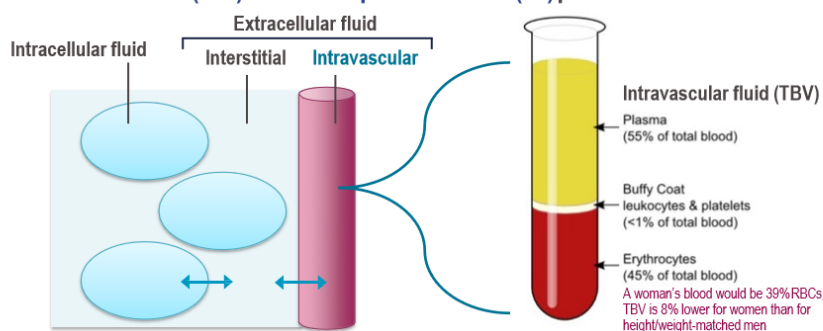
The BVA-100 is a rapid, clinically-available FDA-cleared diagnostic test that is already in use in over 65 hospitals across the United States, with over 40,000 patients clinically evaluated in a broad range of medical conditions.

The technology is designed to quantify circulating total blood volume, plasma volume, and red cell volume with 98% accuracy — all through a simple, rapid blood test administered in both inpatient and outpatient settings. Blood physiology is shown in Exhibit 2.

Exhibit 2: Daxor Corporation – Blood volume and components

Physiology Review

- ✓ **Intravascular volume, ie, blood volume, varies as a proportion of total body fluid volume**
- ✓ **Total blood volume (TBV) consists of plasma volume (PV) plus red blood cell volume (RBCV)**



Source: Daxor Corporation

Utilizing the indicator tracer dilution technique, the BVA-100 quantifies the patient's blood volume by taking a concentration of undiluted HSA-I tracer prior to injection into the patient and comparing it to the tracer concentration diluted in the patient's blood sample. From there a detailed report is generated that measures total blood volume, plasma volume, and red blood cell volume in milliliters, and the results are available in less than 60 minutes. In the absence of the BVA-100, physicians typically rely on clinical assessment and a range of surrogate pressure measures and biomarkers to estimate and measure patient blood volume. A variety of different studies have shown these indirect testing methods to lack specificity and sensitivity when compared side-by-side with the new BVA-100 measurements.

Heart failure represents one of the largest areas of healthcare spending and one of the most significant treatment challenges for approximately 6 million U.S. patients a year. The BVA-100 provides a simple, rapid, inexpensive, non-invasive, and most importantly, objective measurement of volume status and composition. This level of precision enables individualization of treatment and significantly better outcomes for patients with heart failure.

The most recent data for the technology was recently published in the *Journal of the American College of Cardiology* — Heart Failure on Nov. 5, 2018. This peer-reviewed study quantified that in the examination of 245 serial patient admissions for heart failure ("HF") that 30-day readmissions were reduced by 56% and mortality by 82% and that on a 365-day measure mortality was reduced by 86% compared to match controls. Researchers noted that the one-year mortality rate was reduced from 35% to less than 5% in the BVA-guided arm.

Current treatment methods aim to treat patients to euvolemia, and this new test will finally allow physicians to have a measure of the volume so that they can achieve specific treatment goals.

As of now, the BVA-100 is the only instrument cleared by the FDA to provide a rapid direct measurement of a patient's blood volume and optimal volume. The company's mission moving forward is to continue to help hospitals and physicians incorporate Daxor's advanced technologies to help significantly improve patient care and therapeutic outcomes.

For the past two years, Daxor reported that kit sales rose over 18% year-on-year in the cardiology segment, driven by increasing awareness of the value of blood volume analysis to improve heart failure outcomes through reduced mortality and readmissions.

Daxor is also developing blood volume measurement product for the military, where there is a critical need, that can be used in the field to measure blood volume in wounded soldiers. Hemorrhage is the primary cause of death in most preventable deaths in the combat. According to Analysis of the Causes of Death of Casualties in Field Military Setting in *Military Medicine* in 2012, 68% of those who died in action died from hemorrhage and importantly, almost all of these died before reaching the hospital.

Daxor was selected under the US Phase 1 DoD SBIR program. The award provides a non-dilutive opportunity to create a product for military and civilian uses with greater speed and simplicity. Success in the Military market would provide upside to our forecasts.

We show BVA-100 metrics including ASPs and insurance codes in Exhibit 3.

Exhibit 3 – Daxor Corporation – BVA – 100 Metrics

✓ **Device Price**

- Acquisition: \$85,000
- Lease: \$2,750/mo.

✓ **Dose Price**

- \$325 + shipping & handling

✓ **Incremental cost-effectiveness ratio (ICER) for 30-year simulation**

- \$1,486 vs \$50,000 consensus threshold for “very good value”

✓ **QALY**

- 2.99 per patient on average vs <1.00 offered by many alternatives, including pharmaceuticals and implantable hemodynamic monitors

✓ **Applicable CPT Codes**

- 78122 – Blood Volume Analysis
- G0353 – Therapeutic or diagnostic injection (specify substance or drug), intravenous push, single or initial substance/drug
- 85013 – Spun microhematocrit [a distinct code, but sometimes not paid on the grounds that 78122 encompasses this activity]
- A9524 – Supply of iodinated I-131 serum albumin

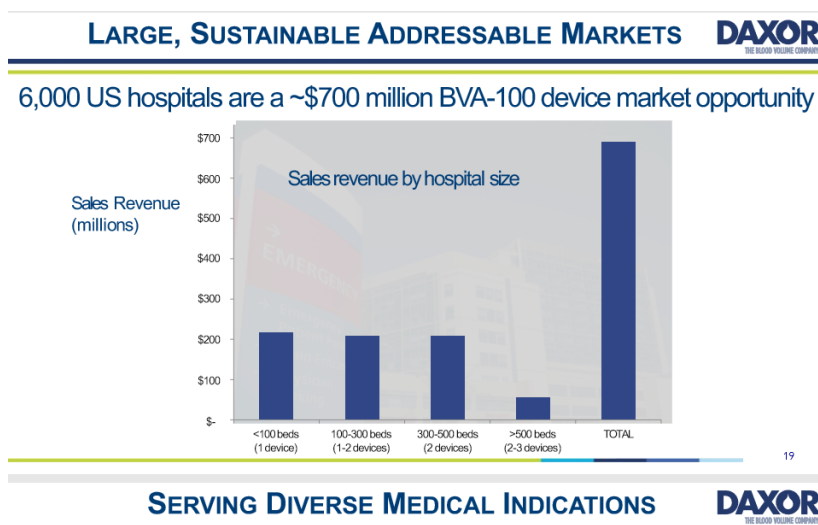
Source: Daxor Corporation

MARKETS

HF market opportunity: Heart failure represents one of the largest areas of healthcare spending and one of the most significant treatment challenges for approximately 6 million U.S. patients a year. One million of these will require hospitalization. Because hospitals cannot tell which patients will require re-admission, and re-admission can reduce insurance payments, the objective of DXR is to make use of its BVA-100, part of the standard of care. If a quarter of all HF hospital admissions were to get the \$325 test as part of its standard of care, the market would be \$81 million annually. At 100% of HF admissions, the market would be \$325 million. If a quarter of all U.S. hospitals were to purchase the BVA-100, it would represent a \$125 million of equipment sales. As the BVA-100 is only in 65 hospitals now, the combined near-term opportunity exceeds \$200 million and would grow with increased adoption.

In Exhibit 4 (below) we show Daxor’s view of the BVA-100 market opportunity at ~\$700 million. For the purpose of deriving a valuation of the company, we are using a more conservative estimate of \$200 million noted above, which we think it could reach over several years.

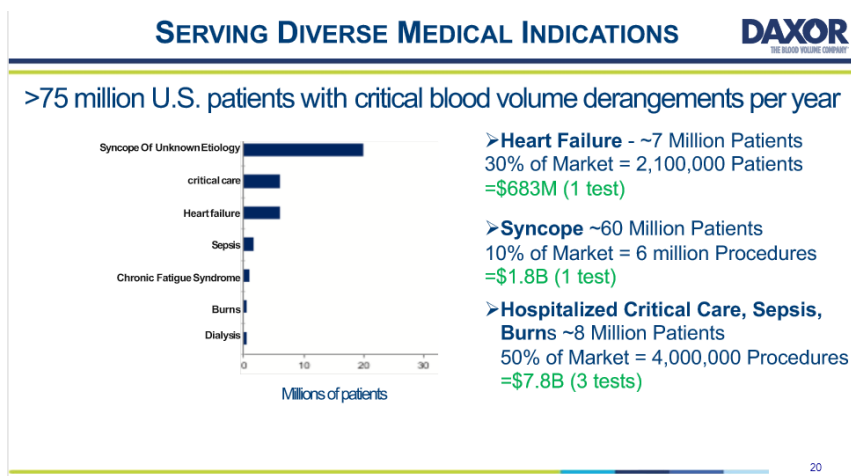
Exhibit 4 – Daxor Corporation – BVA-100 Market Estimate



Source: Daxor Corporation

Additional longer-term market opportunities: Other blood volume measurement opportunities exist in hospitalized critical care, sepsis, burns, and both high and low blood pressure (see Exhibit 5, below). The combination of markets beyond the near-term HF opportunity is nearly \$10 billion. Expanding outside the U.S. may easily double the size of any of these opportunities. These markets are not considered in our current valuation but would provide upside as and when they develop.

Exhibit 5 – Daxor Corporation – Addressable U.S. market opportunities



Source: Daxor Corporation

INVESTMENT RISKS

Product Acceptance

While the BVA-100 is in 65 hospitals and has been used to measure blood volume 40,000 times, the process for measuring blood volume needs to become more widely used and accepted. The medical world has not been clamoring for this product because: doctors didn't learn about it in medical school and because doctors believe they have the ability to "guess" correctly. But times change. Medicare now ranks hospitals on quality and there are financial penalties for having poor outcomes (like readmittance within 30 days for what should have been cured) and for having poor quality in general. Getting the BVA-100 into hospitals is a way to improve patient outcomes and this matters to administrators. Daxor is hiring sales reps and building out a sales team to address both doctors and hospital administrators and using the newly published data from the *Journal of the American College of Cardiology* on improved patient outcomes to expand awareness.

Capital Markets Risks

Daxor may have to make significant investment in working capital if the Operating Company is as successful as we expect. As of December 2018 (its most recent reporting period) Daxor has \$13 million in net assets of which \$5.7 million is the value of the Operating Company. In the last two years it has spent approximately \$2 million/year funding the operating company. Its liquid assets would support that level of funding for 3+ years.

VALUATION

The company does not publish and is not required to publish a P&L for its Operating Company as long as it reports as an Investment Company. Because of this, our assumptions about current and future sales of its products are based on our best estimates and which we assume to be below the market potential DXR has identified in Exhibit 4. Our valuation approach is to look at the potential market opportunity in terms of sales of equipment and supplies and apply a current market sales multiple on that revenue using 14 peer companies that we can measure and do report revenue. In its investment deck, DXR believes the HF market to be worth \$700 million. For the purpose of our analysis we are looking at how it might reach \$200 million in sales over time.

To arrive at our \$20 price target, we looked at comparable company multiple of sales against what level of sales we believe is an achievable percentage of the \$200 million market by 2020 (6%). Critical to our analysis is that DXR would have to report BVA-100 revenue to achieve our target in this scenario. In Exhibit 6, below, we compared DXR to a group of 14 medical device and diagnostic companies. Excluding SWAV, which is the high outlier for sales multiple from the group, the average sales multiple is 6.15. Among the blood diagnostic companies (CERS, HSKA, QTNT), the average multiple skews slightly higher.

Exhibit 6 – Daxor Corporation – Comp Table

Ticker	Company Name	Market Cap	Price 5/11/19	EV	2019 Sales Multiple	2020 Sales Multiple
EXAS.O	Exact Sciences Corp	11,559.22	89.51	11,071.83	15.45	10.67
MASI.O	Masimo Corp	7,307.11	136.95	6,714.25	7.94	7.18
NUVA.O	NuVasive Inc	3,143.25	60.58	3,657.46	2.72	2.59
MYGN.O	Myriad Genetics Inc	1,969.34	26.84	2,082.94	2.30	2.14
SWAV.O	Shockwave Medical Inc	1,607.63	57.39	1,735.84	45.27	23.78
INSP.K	Inspire Medical Systems Inc	1,187.88	49.90	1,035.23	16.37	12.05
TCMD.O	Tactile Systems Technology Inc	987.78	52.47	939.49	5.43	4.53
CERS.O	Cerus Corp	755.34	5.48	694.35	8.08	6.18
HSKA.O	Heska Corp	601.30	77.58	598.88	4.89	4.12
QTNT.O	Quotient Ltd	544.96	8.38	578.30	19.49	18.28
RTIX.O	RTI Surgical Holdings Inc	351.75	4.76	575.59	1.08	1.01
VAPO.K	Vapotherm Inc	314.54	18.09	290.80	6.22	5.26
STIM.O	Neuronetics Inc	263.09	14.37	197.51	4.16	3.45
CFMS.O	Conformis Inc	221.91	3.27	218.12	2.70	2.48
	AVERAGE (excluding high outlier)				7.45	6.15
DXR	Daxor Corp	37.06	9.94	41.52		

Source: Ascendant Capital Markets, LLC and Refinitiv Eikon

If we assign a 6.15x sales multiple to our estimate for 2020 BVA-100 equipment and supplies revenue (Exhibit 7), we get a price target of \$19.79 which we round up to \$20. Management has not provided financial guidance, but based on our estimate of the near-term market potential for the product and our best estimate (given limited operating data), we believe the sales estimate as shown in Exhibit 7 is reasonable. It is possible that some investors would add the value of the operating company to the current valuation and derive a higher price, but it isn't clear to us that the market would take a sum-of-the-parts approach at the time when all the attention will be on the growth of the Operating Company. We have not assigned a value to the company exclusive of the Operating Company. In any case, our approach appears to be a more conservative view.

Exhibit 7 – Daxor Corporation – Implied Market Share and Price Target

Daxor Corporation						
Sales of BVA-100 and test kits						
\$ in millions (except price target)						
	% of Near-Term Addressable Market	Sales	Sales Multiple	Implied Value	Share Count (millions)	Price Target
2019E	1%	2				
2020E	6%	12	6.15	73.8	3.73	\$19.79
2021E	10%	20				
2022E	20%	40				

Source: Ascendant Capital Markets, LLC

We expect valuations for Daxor to improve as visibility into BVA-100 sales and supplies becomes clearer.

MANAGEMENT TEAM

Michael Feldschuh, President and Chief Executive Officer. Leads finance, patent, regulatory affairs, operations, manufacturing, and investor relations along with management of day-to-day corporate affairs. Over 20 years of experience in quantitative asset management, most recently as the founder of his own firm, Aristarc Partners. Prior to that Michael held the position of Managing Director and Portfolio Manager at Morgan Stanley Investment Management, with earlier roles at Millennium Partners and D. E. Shaw & Co. Michael received his B.A. in premed studies from Columbia University in 1991.

Robert J. Michel, Chief Financial Officer. Leads finance and financial reporting. Mr. Michel joins Daxor with more than 30 years of experience in accounting and finance for companies specializing in consumer finance, engineering/manufacturing, marketing and the healthcare industry, both privately held and publicly traded. He most recently served as CFO of Sher-Del Transfer and Relocation Services and prior to that spent seven years as CFO of Asta Funding, a publicly traded diversified financial services company. He is a Certified Public Accountant and holds a degree in Business Administration from the Villanova School of Business and an MBA from St. John's University.

Soren Thompson, VP Business Development. Responsibilities span public and private sector business development, domestic and international sales management, operations and corporate strategy. He was an early hire at Hycrete, Inc., where he built an international distribution network across more than 20 countries and five continents. Soren holds a B.A. from Princeton University and an MBA from Columbia University with a focus on Healthcare and Pharmaceutical Management where he has lectured since 2016. He is an NCAA, World and 8-time US National Champion and two-time Olympian in the sport of fencing.

Jonathan Feldschuh, Chief Scientific Officer. Co-inventor of the BVA-100 and related patents and responsible for algorithmic design and statistical analysis (white papers) and for patent applications extending the capabilities of blood volume measurement and its

utility across diverse conditions. Developing black-box trading and analytical systems for Wall Street firms such as Morgan Stanley, Millennium Partners, and Shearson Lehman and served in the past as Chief Quantitative Officer for Aristarc Capital and as the CEO of Outseeker, a data- driven technology startup. Jonathan has an A.B. in physics summa cum laude from Harvard.

Kathryn A. Kornafel, Vice President Marketing & Commercial Development. Kathy has held leadership roles in global marketing, business development, and sales with major international IVD medical device companies including Abbott, HemoCue and Ortho Clinical Diagnostics. In addition to her business experience, Kathy is an American Society of Clinical Pathology-certified Medical Technologist with clinical lab experience in hematology and microbiology. She holds a bachelor degree in biology from the University of Delaware and a bachelor of science degree in medical technology from Thomas Jefferson University. Kathy's interests include water sports and travel.

FINANCIAL MODEL

We are not presenting a financial model of Daxor as it reports N-CSRS semi-annually and N-CSR annually as an Investment Company and the components of its investment portfolio are not part of our valuation. Estimates for sales in this report are those of its Operating Company and these metrics will not be disclosed in detail until the company changes its reporting category. Liquidity. As of December 2018 (its most recent reporting period) Daxor has \$13 million in net assets of which \$5.7 million is the value of the Operating Company. In the last two years it has spent approximately \$2 million/year funding the operating company. Its liquid assets would support that level of funding for 3+ years. The current balance sheet is shown in Exhibit 8.

Exhibit 8 – Daxor Corporation – Balance Sheet

Daxor Corporation	
Statement of Assets and Liabilities	
31-Dec-18	
Assets:	
Investments in securities, at fair value (cost of \$3,733,886)	\$ 11,585,801
Investment in operating division, at fair value (cost of \$3,547,013)	5,650,000
Receivables from brokers:	
Cash receivable from broker	3,014
Dividends receivable	33,710
Tax credits receivable	353,986
Total Assets	17,626,511
Liabilities:	
Margin loans payable	4,454,613
Call options, at fair value (proceeds of \$34,531)	37,390
Accounts payable and accrued expenses	72,500
Total Liabilities	4,564,503
Net Assets	\$ 13,062,008
Net Asset Value, (10,000,000 shares authorized, 5,316,530 issued and 3,746,858 shares outstanding of \$0.01 par value capital stock outstanding)	
Net Assets consist of:	
Capital paid in	\$ 10,861,189
Total distributable earnings	17,061,123
Treasury Stock	(14,860,304)
Net Assets	\$ 13,062,008

Source: Company filings

ANALYST CERTIFICATION

Each analyst hereby certifies that the views expressed in this report reflect the analyst's personal views about the subject securities or issuers. Each analyst also certifies that no part of the analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report. The analyst who prepared this report is compensated based upon the overall profitability of Ascendant Capital Markets, LLC, which may, from time to time, include the provision of investment banking, financial advisory and consulting services. Compensation for research is based on effectiveness in generating new ideas for clients, performance of recommendations, accuracy of earnings estimates, and service to clients.

Daxor Corporation

- Ascendant Capital Markets, LLC has not received compensation for advisory or investment banking services from the company in the past 12 months.

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Risks & Considerations

Risks to attainment of our share price target include the ability to commercialize product beyond current levels, competition, changing macroeconomic factors, investor sentiment for investing in biotech stocks, and changes in consumer or government priorities for healthcare.

Ascendant Capital Markets, LLC Rating System

BUY: We expect the stock to provide a total return of 15% or more within a 12-month period.

HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

SELL: We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

Ascendant Capital Markets, LLC Rating System

Prior to January 31, 2014, ASCM used the following rating system:

Strong Buy: We expect the stock to provide a total return of 30% or more within a 12-month period.

Buy: We expect the stock to provide a total return of between 10% and 30% within a 12-month period.

Neutral: We expect the stock to provide a total return of between minus 10% and plus 10% within a 12-month period.

Sell: We expect the stock to provide a total return of minus 10% or worse within a 12-month period.

Speculative Buy: This rating is reserved for companies we believe have tremendous potential, but whose stocks are illiquid or whose equity market capitalizations are very small, often in the definition of a nano cap (below \$50 million in market cap). In general, for stocks ranked in this category, we expect the stock to provide a total return of 50% or more within a 12-month period. However, because of the illiquid nature of the stock's trading and/or the nano cap nature of the investment, we caution that these investments may not be suitable for all parties.

Total return is defined as price appreciation plus dividend yield.

Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of April 15, 2019)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	35	95%	8	23%
Hold	2	5%	1	50%
Sell	0	0%	0	0%
Total	37	100%	9	24%

Other Important Disclosures

Our analysts use various valuation methodologies including discounted cash flow, price/earnings (P/E), enterprise value/EBITDAS, and P/E to growth rate, among others. Risks to our price targets include failure to achieve financial results, product risk, regulatory risk, general market conditions, and the risk of a change in economic conditions.

Dissemination of Research

Ascendant Capital Markets, LLC research is distributed electronically via the Thomson Reuters platforms, Bloomberg, Capital IQ and FactSet. Please contact your investment advisor or institutional salesperson for more information.

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