



# Lucid Diagnostics Inc.

Q1 about inline as tests ramp up. Expected high growth in 2022 should drive stock much higher. Lowering P/T to \$13.

**Q1 about inline:** Lucid recently (on May 11) reported its Q1 2022 (ending March) results. Revenue was \$0.2 million, compared with our and consensus estimates of \$0.4 – 0.5 million. Pro forma net loss was \$8.2 million or EPS of \$(0.23), compared with our and consensus estimates of \$(0.22) - (0.30). Lucid is still early in its commercialization so it generates minimal revenue currently, but revenue is expected to grow significantly in 2022.

**EsoGuard growth:** The company processed 533 EsoGuard tests in Q1, versus 303 in Q4, 203 in Q3, and 202 in Q2. Because it is still early in the process, the company has deferred revenue recognition until cash is collected so revenue is not recorded when the tests are performed (for now).

**Operating expenses:** Operating expenses were \$12 million, up from \$11 million in Q4 2021 as it ramps up Lucid commercial operations.

**No guidance:** Management has not provided forward guidance.

**Lowering 2022 estimates:** We are lowering our 2022 estimates for revenues to \$5.6 million, from \$6.0 million, and for EPS to \$(0.93) from \$(0.80).

**EsoGuard:** EsoGuard is a molecular diagnostic esophageal DNA test shown in a published human study to be highly accurate at detecting Barrett’s Esophagus (BE), as well as EAC. The estimated addressable domestic market opportunity for EsoGuard is ~\$2 billion based on tens of millions of U.S. patients with gastroesophageal reflux disease (GERD), more commonly called acid reflux or chronic heartburn, who are BE screening candidates.

**EsoCheck:** EsoCheck is a non-invasive cell collection device designed to sample cells from a targeted region of the esophagus in a five-minute office-based procedure, without the need for endoscopy. EsoCheck is meant to be used for testing with its EsoGuard tests.

**Ramp in commercialization can be catalyst:** Initial revenue for Lucid was reported in its Q3 2021. Its near term plans over the next couple of years is to advance commercialization of its 2 main products (EsoGuard and EsoCheck) as well as gain additional regulatory approvals (expand usage and insurance and government coverage in the U.S. and to expand into international markets). We believe achieving key milestones and ramp in revenues will likely be catalysts for the stock.

**Strong rollout:** Lucid is launching a major commercial initiative to accelerate EsoGuard commercialization by targeting multiple sales and marketing channels and building Lucid’s own network of EsoCheck Test Centers to assure sufficient testing capacity and geographic coverage. The Test Center program has quickly expanded to locations in Phoenix, Denver, Salt Lake City, Las Vegas, Seattle, Portland, and Boise. Lucid is now launching an accelerated expansion into larger states across the U.S. and plans to open test centers in nine additional states this year.

**Large market potential:** Cancer is the 2nd leading cause of death in the U.S. (behind heart disease) with ~600,000 deaths a year. The incidence of EAC, the most common cancer of the esophagus, has quadrupled over the past 30 years.

**Solid balance sheet:** Lucid has \$48 million in cash and no debt so its balance sheet is solid. In October (Q4), Lucid had its IPO and sold 5.0 million shares at \$14/share, raising ~\$70 million. PAVmed still owns 76% of Lucid (was 73% pre-IPO), and Lucid’s financials will continue to be consolidated into PAVmed’s financials.

**Positive risks versus rewards:** Lucid’s devices still have long commercialization challenges ahead, but we believe the ~billion dollars market potential presents high rewards for the risks.

**Current valuation attractive:** We are maintaining our BUY rating, but lowering our 12-month price target to \$13 from \$15 based on a NPV analysis. This represents significant upside from the current share price and we believe this valuation appropriately balances out the company’s high risks with large upside opportunities.

## Company Description

Based in New York, NY, Lucid Diagnostics is a commercial-stage medical diagnostics company focused on patients at risk of developing esophageal cancer.

United States  
Healthcare

June 6, 2022

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## COMPANY UPDATE

Rating: BUY

Ticker: LUCD

Price: \$2.00

Target: \$13.00  
(from \$15.00)

## Stock Data

Exchange:	NasdaqGM
52-week Range:	\$1.79 – 13.52
Shares Outstanding (million):	38
Market cap (\$million):	\$76
EV (\$million):	\$28
Debt (\$million):	\$0
Cash (\$million):	\$48
Avg. Daily Trading Vol. (\$million):	\$0.6
Float (million shares):	8
Short Interest (million shares):	0.7
Dividend, annual (yield):	\$0 (NA%)

## Revenues (US\$ million)

	<u>2022E</u> (Cur.)	<u>2022E</u> (Old)	<u>2023E</u> (Cur.)	<u>2023E</u> (Old)
Q1 Mar	0.2A	0.4E	4.0E	
Q2 Jun	0.2E	0.6E	4.2E	
Q3 Sep	1.0E	1.2E	4.4E	
Q4 Dec	<u>4.2E</u>	<u>3.8E</u>	<u>5.4E</u>	
Total	5.6E	6.0E	18.0E	
EV/Revs	5x		2x	

## Earnings per Share (pro forma)

	<u>2022E</u> (Cur.)	<u>2022E</u> (Old)	<u>2023E</u> (Cur.)	<u>2023E</u> (Old)
Q1 Mar	(0.23)A	(0.22)E	(0.17)E	
Q2 Jun	(0.26)E	(0.22)E	(0.16)E	
Q3 Sep	(0.24)E	(0.20)E	(0.16)E	
Q4 Dec	<u>(0.19)E</u>	<u>(0.16)E</u>	<u>(0.16)E</u>	<u>(0.15)E</u>
Total	<u>(0.93)E</u>	<u>(0.80)E</u>	<u>(0.65)E</u>	
P/E	N/A		N/A	

## 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 14.

Exhibit 1: PAVmed Company Overview



**Lucid is a Major Subsidiary of PAVmed Inc.**



**Nasdaq: PAVM**

**A Highly Differentiated Multi-Product Commercial-Stage Medical Technology Company**



*Founded 2014*



*Nasdaq IPO 2016*



*Diversified Product Portfolio*



*Groundbreaking Technologies Addressing Important Unmet Clinical Needs*



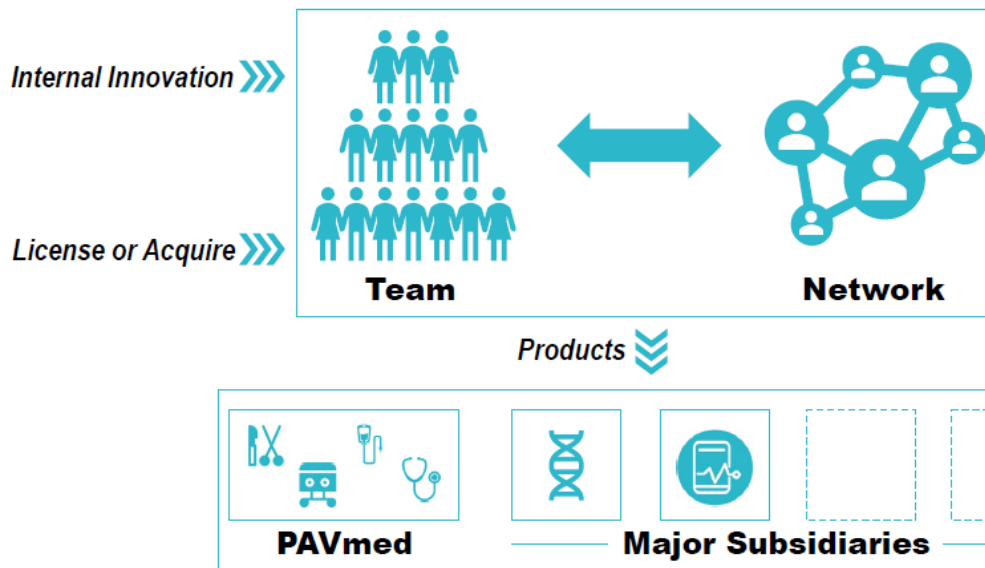
*Business Model Focused on Speed to Market*

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**Nasdaq: PAVM**

**Innovation & Value Creation Engine**



Source: Company reports

Exhibit 2: PAVmed's Major Subsidiaries



**Major Subsidiaries**

**Diagnostics**

**Lucid**  
diagnostics

**Early Detection of Esophageal Precancer & Cancer**

- Commercial-stage
- Founded May 2018
- Licensed technologies from Case Western Reserve University
- Managed and financed by PAVmed
- PAVmed Stake = 75.5%
- IPO Oct 14, 2021 (Nasdaq: LUCD)

**Digital Health**

**VERIS**  
HEALTH

**Digital Cancer Care Platform & Intelligent Vascular Port**

- Founded May 2021 with acquisition of Oncodisc, Inc. and its digital health technologies
- Managed and financed by PAVmed
- PAVmed stake = 80%
- Accepted into Microsoft for Startups
- PAVmed Stake = 80%
- Target commercialization H2-2022

Source: Company reports.

Exhibit 3: Lucid Diagnostics Overview (as of October 2021)



**Commercial-Stage Cancer Prevention Medical Diagnostics Company**

- Founded May 2018 to license technologies underlying EsoGuard & EsoCheck from Case Western Reserve University
- ~\$25B total addressable market opportunity
- PAVmed paid ~\$50K cash, retained 82% equity
- Managed and financed by PAVmed
- ~\$30M invested over ~3.5 years
- Advanced EsoGuard & EsoCheck to commercialization
- Secured \$1,938 Medicare payment
- Nasdaq IPO October 14, 2021
- Raised \$70M in growth capital at \$467M IPO valuation
- PAVmed Stake pre-IPO 72.7%, post-IPO 75.5%

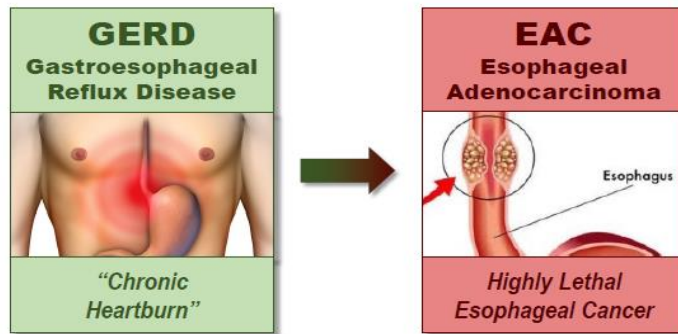


Source: Company reports.

Exhibit 4: Lucid Diagnostics



**Commercial-Stage Diagnostic Technology  
Company Focused on Early Precancer Detection**



**MISSION: Prevent EAC Deaths in At-Risk GERD Patients**



First and only commercially available test capable of serving as a widespread screening tool to prevent EAC deaths through early detection of esophageal precancer in at-risk GERD patients



**EsoGuard**  
esophageal DNA test  
CE Mark  
CAP ACCREDITED



**EsoCheck**  
cell collection device  
FDA 510K Cleared  
CE Mark

**Highlights**

**EsoGuard** commercialized as Laboratory Developed Test (LDT)

First Lucid Test Centers launched and testing patients referred by PCPs

**\$1938**  
Effective CMS Payment as of Jan 1<sup>st</sup>

**EsoGuard & EsoCheck** Granted FDA Breakthrough Device Designation

13 Million U.S. at-risk GERD patients already recommended for screening

Near-Term Value Inflection Milestones

Multi-Billion U.S. Total Addressable Market Opportunity

Source: Company reports.



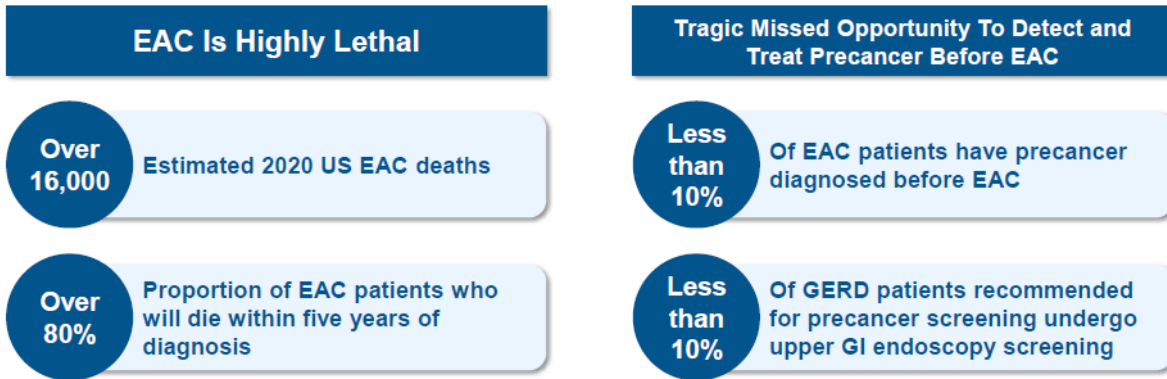
Exhibit 5: EsoCheck and EsoGuard Market Opportunity

## EAC Precancer Screening to Prevent EAC

Major unmet clinical need

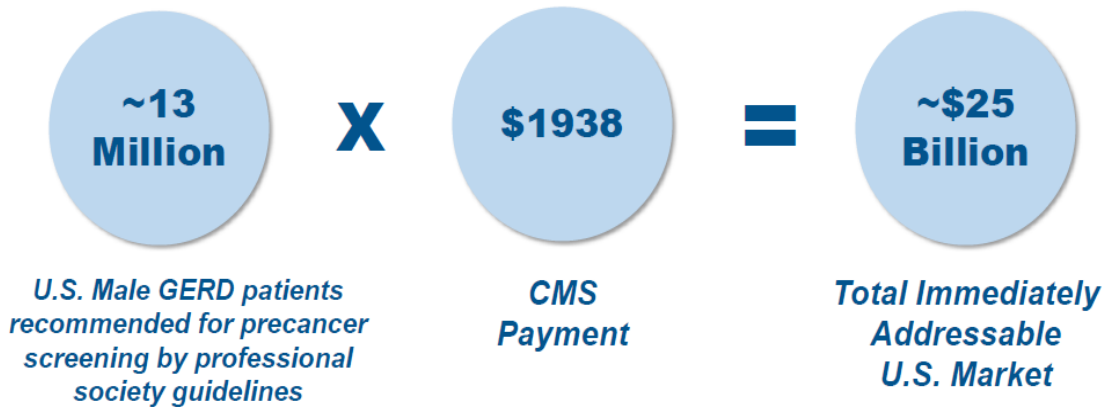
Necessary to prevent EAC deaths through early precancer detection

~13 million high-risk GERD patients already recommended for precancer screening by professional society guidelines

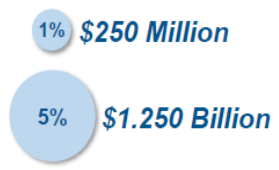


Increasing screening rate from <10% to 25% will prevent thousands of EAC deaths per year

## EsoGuard Commercial Opportunity



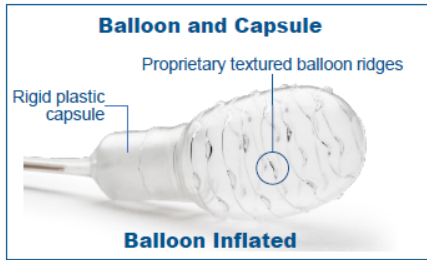
LONG-TERM EXPANDED MARKET OPPORTUNITIES	
U.S. Female GERD Patients	~18 Million patients
U.S. Silent GERD Patients	~30 Million patients



Source: Company reports.

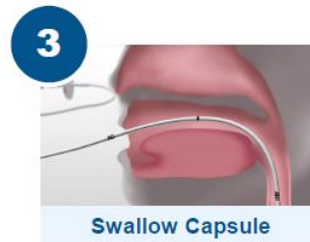
Exhibit 6: The EsoCheck Procedure

# The EsoCheck Esophageal Cell Sampling Procedure



Less than 5-minute, non-invasive office-based alternative to endoscopy  
 Anatomically targeted cell sampling from lower 5 cm of esophagus where BE-EAC occurs  
 Protects sampled cells from dilution and contamination during device removal which is critical to accurately detect low-level precancer signal

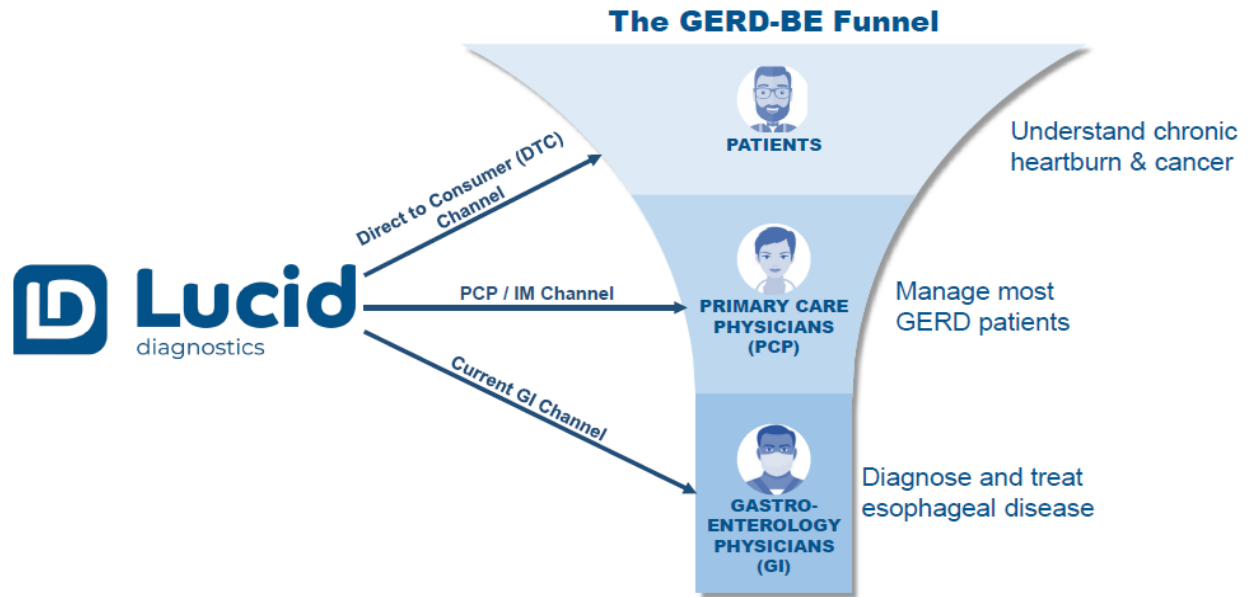
## EsoCheck Procedure Steps



Source: Company reports.

Exhibit 7: Lucid Growth Strategy

## Multichannel Commercial Strategy



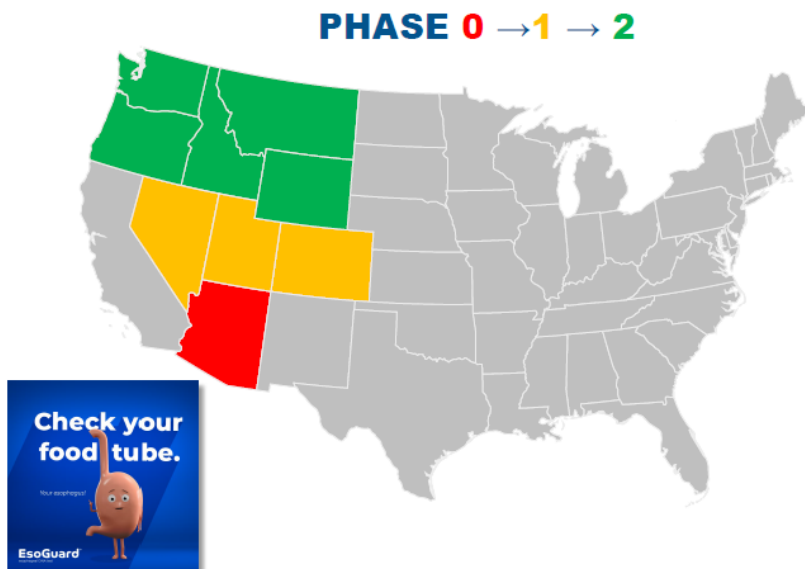
## Lucid Growth Strategy



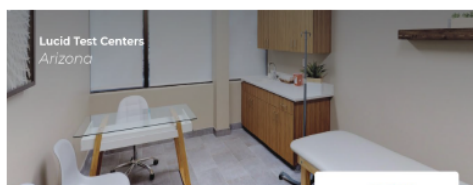
Source: Company reports.

Exhibit 8: Lucid Test Centers

# Lucid Test Centers Early Phase Rollout

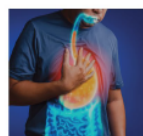


## Lucid Test Centers



**EsoGuard**  
esophageal DNA test

**>90%**  
sensitivity & specificity  
at detecting Barrett's esophagus,  
with and without dysplasia, as well as  
esophageal adenocarcinoma



### A new test for early detection of precursors of esophageal cancer

While reflux is common, your patients may not know that chronic GERD can lead to BE and EAC. The EsoGuard esophageal DNA test detects the cellular changes caused by reflux.

How it works: distal esophageal cells are sampled using a simple, non-endoscopic, five-minute, office-based procedure, shipped in the provided preservative and mailer, and analyzed at our lab. Binary results (positive or negative) are available within a few weeks.

#### Who should be considered for testing?

2016 American College of Gastroenterology Guidelines recommends screening in high-risk GERD patients:

**Individuals >50 years old with chronic GERD (>5 years) and/or frequent (weekly or more) GERD symptoms**

- plus two additional risk factors:
- Caucasian
  - Male
  - Central Obesity
  - Past or Present History of Smoking
  - Family History of BE or EAC

#### Patients may be referred to Lucid Test Centers:

9700 N 81st St, suite A-115  
Scottsdale, AZ 85258

4424 W Peoria Ave Ste 115A  
Glendale, AZ 85302

1845 E Broadway Rd Ste 116  
Tempe, AZ 85282

For prescribing information call:  
**(623) 687-2386**

<b>Estimated Quarterly Operating Costs</b>	Nurse Practitioner	\$30,000
	Medical Assistant	\$12,500
	Lease, Other	\$2,500
	<b>Total</b>	<b>\$45,000</b>
<b>Procedure</b>	Max tests per day	20
	Billed rate per test	\$2,000
<b>Revenue Opportunity</b>	Daily	\$40,000
	Weekly	\$200,000
	Quarterly	\$2,600,000
	Break even	1.7 tests / week

**Over 90%** EsoGuard Estimated Gross Margin at Volume

Source: Company reports.



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## Exhibit 9: Q1 2022 and Recent Business Highlights

Highlights from the first quarter and recent weeks include:

- On April 4<sup>th</sup>, the [American College of Gastroenterology](#) (“ACG”) updated its [clinical guideline](#) for the diagnosis and management of esophageal precancer, endorsing, for the first time, nonendoscopic biomarker screening as an acceptable alternative to costly and invasive endoscopy to detect precancer and prevent highly lethal esophageal cancer. The updated guideline supports esophageal precancer screening utilizing Lucid’s EsoGuard<sup>®</sup> DNA Test on samples collected with its EsoCheck<sup>®</sup> Cell Collection Device, the only such nonendoscopic biomarker screening test available.
- Lucid processed 533 commercial EsoGuard tests in the first quarter of 2022, which represents a 76% increase sequentially from the fourth quarter of 2021 and a nearly 500% increase annually from the first quarter of 2021. The Company continued to expand its sales infrastructure consistent with its year-end goals.
- Lucid completed its first stage of its Lucid Test Center program covering metropolitan areas in seven states. The Company subsequently launched the second stage of the program and plans to open test centers in nine additional states this year. The Company hired an experienced Director of Clinical Services to oversee the expansion.
- LucidDx Labs Inc. (“LucidDx Labs”), a wholly owned subsidiary of Lucid, acquired the assets necessary to operate its own CLIA-certified, CAP-accredited clinical laboratory effective February 25, 2022. The Company hired an experienced VP of Laboratory Operations who will oversee an accelerated transition from the current management service agreement to the lab being fully staffed by Lucid employees. It also upgraded its revenue cycle management provider which for the first time will begin billing and processing claims directly on behalf of Lucid.
- LucidDx Labs entered into Lucid’s first commercial payer agreement—a participating provider agreement with MediNcrease Health Plans, LLC, a national, directly-contracted, multi-specialty PPO provider network with over 8 million lives covered through its clients and payers. The agreement provides for reimbursement rates at a percent of charges for services rendered, including the performance of the EsoGuard test.
- Medicare Administrative Contractor Palmetto GBA’s MoIDX Program published a proposed foundational Local Coverage Determination (“LCD”) for tests designed to detect upper gastrointestinal precancer and cancer, an important step in Lucid’s efforts to secure Medicare coverage for EsoGuard. As part of the public review process which extends to May 14, 2022, Lucid, along with multiple other stakeholders, will be submitting comments suggesting important modifications to the proposed LCD. The Company, along with other stakeholders, also participated in a substantive Open Meeting held by the MoIDx Program on May 10, 2022.

Source: Company reports.

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**Exhibit 10: Lucid Diagnostics Inc. Stock Price (since IPO in October 2021)**



Source: <https://bigcharts.marketwatch.com/>

**Exhibit 11: Consensus Expectations (as of May 11, 2022)**

	Revenue (mil)			EPS	
	2022E	2023E		2022E	2023E
Q1 Mar	\$0.5E		Q1 Mar	\$(0.30)E	
Q2 Jun	\$1.1E		Q2 Jun	\$(0.29)E	
Q3 Sep			Q3 Sep		
Q4 Dec			Q4 Dec		
<b>Total</b>	<b>\$5.8E</b>	<b>\$20.8E</b>	<b>Total</b>	<b>\$(1.15)E</b>	<b>\$(0.97)E</b>

\*Quarterly estimates may not add to annual estimates due to variations in contributing estimates and rounding.

Source: Company report, Refinitiv, and Ascendant Capital Markets estimates

## FINANCIAL MODEL

### Lucid Diagnostics Inc.

Income Statement (\$ mils)	2019	Jun-20	Sep-20	2020	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023
Fiscal Year End: December 31	FY-A	Q1A & Q2A	Q3A	FY-A	Q1A & Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
<b>Total Revenue</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>0.3</b>	<b>0.5</b>	<b>0.2</b>	<b>0.2</b>	<b>1.0</b>	<b>4.2</b>	<b>5.6</b>	<b>4.0</b>	<b>4.2</b>	<b>4.4</b>	<b>5.4</b>	<b>18.0</b>
Cost of Revenues	0.0	0.0	0.0	0.0	0.0	0.1	0.4	0.6	0.4	0.1	0.5	1.7	2.6	1.2	1.3	1.3	1.6	5.4
Gross Profit	0.0	0.0	0.0	0.0	0.0	0.1	(0.1)	(0.1)	(0.2)	0.1	0.6	2.5	3.0	2.8	2.9	3.1	3.8	12.6
Sales and marketing	0.0	0.3	0.3	1.3	1.7	1.0	2.6	5.3	3.3	3.5	3.5	3.5	13.8	3.2	3.3	3.4	4.0	13.9
General and administrative	1.0	0.8	0.5	1.5	4.3	3.4	5.0	12.8	5.7	5.5	5.5	5.5	22.2	5.5	5.5	5.5	5.5	22.0
Research and development	3.5	2.4	1.2	5.4	3.6	2.2	3.5	9.3	2.9	3.0	3.0	3.0	11.9	3.0	3.0	3.0	3.0	12.0
Restructuring and other	0.0			0.0				0.0					0.0					0.0
Total operating expenses	4.4	3.5	2.0	8.3	9.7	6.6	11.1	27.3	11.9	12.0	12.0	12.0	47.9	11.7	11.8	11.9	12.5	47.9
<b>Operating income (loss)</b>	<b>(4.4)</b>	<b>(3.5)</b>	<b>(2.0)</b>	<b>(8.3)</b>	<b>(9.7)</b>	<b>(6.5)</b>	<b>(11.2)</b>	<b>(27.4)</b>	<b>(12.1)</b>	<b>(11.9)</b>	<b>(11.5)</b>	<b>(9.5)</b>	<b>(44.9)</b>	<b>(8.9)</b>	<b>(8.9)</b>	<b>(8.8)</b>	<b>(8.7)</b>	<b>(35.3)</b>
Interest income (expense)	0.0			0.0	(0.1)	(0.4)	(0.1)	(0.7)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other income (expense)	0.0			0.0				0.0	(0.2)	0.0	0.0	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0
Income before income taxes	(4.4)	(3.5)	(2.0)	(8.3)	(9.8)	(7.0)	(11.3)	(28.1)	(12.3)	(11.9)	(11.5)	(9.5)	(45.1)	(8.9)	(8.9)	(8.8)	(8.7)	(35.3)
Income taxes	0.0			0.0				0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (loss)	(4.4)	(3.5)	(2.0)	(8.3)	(9.8)	(7.0)	(11.3)	(28.1)	(12.3)	(11.9)	(11.5)	(9.5)	(45.1)	(8.9)	(8.9)	(8.8)	(8.7)	(35.3)
Nonrecurring/noncash adjustments		0.0	0.0		3.5	3.2	3.5	10.3	4.0	2.0	2.0	2.0	10.0	2.3	2.3	2.3	2.3	9.0
<b>Net income (pro forma)</b>	<b>(4.4)</b>	<b>(3.5)</b>	<b>(2.0)</b>	<b>(8.3)</b>	<b>(6.3)</b>	<b>(3.7)</b>	<b>(7.8)</b>	<b>(17.8)</b>	<b>(8.2)</b>	<b>(9.9)</b>	<b>(9.5)</b>	<b>(7.5)</b>	<b>(35.1)</b>	<b>(6.7)</b>	<b>(6.6)</b>	<b>(6.6)</b>	<b>(6.5)</b>	<b>(26.3)</b>
EBITDA		(3.5)	(2.0)	(8.3)	(9.7)	(6.5)	(11.2)	(27.4)	(12.2)	(8.0)	(7.6)	(5.6)	(33.5)	(5.0)	(5.0)	(5.0)	(4.9)	(19.9)
Shares, Basic	14.1	14.1	14.1	14.1	14.1	14.1	34.9	18.6	35.1	38.1	38.6	39.1	37.7	39.6	40.1	40.6	41.1	40.4
Shares, Diluted	14.1	14.1	14.1	14.1	14.1	14.1	34.9	18.6	35.1	38.1	38.6	39.1	37.7	39.6	40.1	40.6	41.1	40.4
EPS Basic (pro forma)	(\$0.31)	(\$0.25)	(\$0.14)	(\$0.59)	(\$0.44)	(\$0.26)	(\$0.22)	(\$0.96)	(\$0.23)	(\$0.26)	(\$0.24)	(\$0.19)	(\$0.93)	(\$0.17)	(\$0.16)	(\$0.16)	(\$0.16)	(\$0.65)
EPS Diluted (pro forma)	(\$0.31)	(\$0.25)	(\$0.14)	(\$0.59)	(\$0.44)	(\$0.26)	(\$0.22)	(\$0.96)	(\$0.23)	(\$0.26)	(\$0.24)	(\$0.19)	(\$0.93)	(\$0.17)	(\$0.16)	(\$0.16)	(\$0.16)	(\$0.65)
<b>Margins</b>																		
Gross margin						28%	-47%	-17%	-95%	50%	55%	60%	53%	70%	70%	70%	70%	70%
Sales and marketing						489%	857%	1052%	1756%	1750%	350%	83%	247%	80%	79%	77%	74%	77%
General and administrative						1699%	1682%	2556%	3025%	2750%	550%	131%	398%	138%	131%	125%	102%	122%
Research and development						1095%	1161%	1859%	1524%	1500%	300%	71%	213%	75%	71%	68%	56%	67%
Operating margin	NM	NM	NM	NM	NM	-3255%	-3747%	-5484%	-6401%	-5950%	-1145%	-226%	-804%	-223%	-211%	-200%	-161%	-196%
Tax rate, GAAP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net margin	NM	NM	NM	NM	NM	-3478%	-3769%	-5616%	-6492%	-5950%	-1145%	-226%	-807%	-223%	-211%	-200%	-161%	-196%
<b>Y/Y % change</b>																		
Total Revenue											400%	1300%	1018%	2016%	2000%	340%	29%	222%
Gross margin											887%	-1891%	-3618%	-1656%	2840%	460%	50%	321%
Sales and marketing				#DIV/0!	408%	192%	#DIV/0!	303%			258%	36%	163%	-4%	-6%	-3%	14%	1%
General and administrative				60%	449%	622%	#DIV/0!	734%			62%	9%	74%	-4%	0%	0%	0%	-1%
Research and development				57%	51%	80%	#DIV/0!	71%			37%	-14%	28%	4%	0%	0%	0%	1%
Operating income (loss)				87%	174%	222%	#DIV/0!	231%			76%	-16%	64%	-26%	-26%	-23%	-8%	-21%
Net income (loss)				87%	178%	244%	#DIV/0!	239%			65%	-16%	61%	-27%	-26%	-23%	-8%	-22%
EPS Diluted (pro forma)				87%	80%	86%	#DIV/0!	63%			-8%	-14%	-3%	-28%	-37%	-34%	-18%	-30%

Source: Company reports and Ascendant Capital Markets estimates.  
(Lucid Diagnostics Inc. is a majority-owned subsidiary of PAVmed Inc.)

**Lucid Diagnostics Inc.**

Balance Sheet (\$ mils)	Dec-19	Dec-20	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
Fiscal Year End: December 31	Q4A	Q4A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Assets</b>													
Cash and cash equivalents	0.2	0.1	2.2	0.0	53.7	47.9	39.0	31.3	24.8	19.6	13.7	6.8	1.8
Short term investments							0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable				0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Deferred income taxes							0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other	0.2	1.3	1.8	2.3	3.4	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
Total current assets	0.4	1.4	4.1	2.5	57.3	52.3	43.4	35.7	29.2	24.0	18.2	11.2	6.2
Property and equipment, net					1.0	1.1	1.9	2.1	2.9	3.0	3.9	5.9	6.0
Intangibles, net						5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7
Deferred income tax							0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.6	0.8	0.8	0.8	0.7	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
<b>Total assets</b>	<b>1.0</b>	<b>2.2</b>	<b>4.8</b>	<b>3.3</b>	<b>59.0</b>	<b>62.1</b>	<b>54.0</b>	<b>46.4</b>	<b>40.7</b>	<b>35.7</b>	<b>30.6</b>	<b>25.7</b>	<b>20.8</b>
<b>Liabilities and stockholders' equity</b>													
Accounts payable	0.8	2.1	1.5	2.8	1.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Accrued expenses	0.2	0.4	0.4	0.3	1.1	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Deferred income tax							0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other						5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7
Due to PAVmed Inc.	5.3	13.3	22.9	24.3	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Short term debt							0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total current liabilities</b>	<b>6.3</b>	<b>15.7</b>	<b>24.8</b>	<b>27.4</b>	<b>4.3</b>	<b>14.1</b>	<b>14.1</b>	<b>14.1</b>	<b>14.1</b>	<b>14.1</b>	<b>14.1</b>	<b>14.1</b>	<b>14.1</b>
Deferred income taxes							0.0	0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities							0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities						1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Long term debt							0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total other liabilities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>
Preferred stock							0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	3.9	7.7	11.5	15.4	19.2	23.0	26.9
Additional paid-in capital	0.2	0.3	3.7	6.5	96.6	100.6	100.6	100.6	100.6	100.6	100.6	100.6	100.6
Retained earnings	(5.5)	(13.8)	(23.6)	(30.6)	(41.9)	(54.2)	(66.1)	(77.5)	(87.0)	(95.9)	(104.8)	(113.6)	(122.3)
Accumulated other comprehensive income							0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority Interest							0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total stockholders' equity</b>	<b>(5.3)</b>	<b>(13.5)</b>	<b>(19.9)</b>	<b>(24.1)</b>	<b>54.7</b>	<b>46.5</b>	<b>38.4</b>	<b>30.8</b>	<b>25.2</b>	<b>20.1</b>	<b>15.1</b>	<b>10.1</b>	<b>5.2</b>
<b>Total stockholders' equity and liabili</b>	<b>1.0</b>	<b>2.2</b>	<b>4.8</b>	<b>3.3</b>	<b>59.0</b>	<b>62.1</b>	<b>54.0</b>	<b>46.4</b>	<b>40.7</b>	<b>35.7</b>	<b>30.6</b>	<b>25.7</b>	<b>20.8</b>

**Balance Sheet Drivers**

	Dec-19	Dec-20	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
	Q4A	Q4A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Book &amp; Cash Value (per share)</b>													
Book Value per Share (diluted)	(0.38)	(0.96)	(1.41)	(1.71)	1.57	1.32	1.01	0.80	0.64	0.51	0.38	0.25	0.13
Cash per Share (diluted)	0.01	0.01	0.16	0.00	1.54	1.36	1.02	0.81	0.63	0.50	0.34	0.17	0.04
Net cash per Share (diluted)	0.01	0.01	0.16	0.00	1.54	1.36	1.02	0.81	0.63	0.50	0.34	0.17	0.04

Source: Company reports and Ascendant Capital Markets estimates

**Lucid Diagnostics Inc.**

Cash Flow Statement (\$ mils)	2019	Jun-20	Sep-20	2020	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023
Fiscal Year End: December 31	FY-A	Q1A & Q2A	Q3A	FY-A	Q1A & Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
<b>Cash flow from operating activities</b>																		
Net income	(4.4)	(3.5)	(2.0)	(8.3)	(9.8)	(7.0)	(11.3)	(28.1)	(12.3)	(11.9)	(11.5)	(9.5)	(45.1)	(8.9)	(8.9)	(8.8)	(8.7)	(35.3)
Depreciation				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1
Amortization				0.0				0.0					0.0					0.0
Debt related amortization expense				0.0				0.0					0.0					0.0
Stock comp	0.2	0.0	0.0	0.1	3.4	2.8	3.4	9.6	3.8	3.8	3.8	3.8	15.3	3.8	3.8	3.8	3.8	15.3
Deferred income taxes				0.0				0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in fair value of warrant liability				0.0				0.0	0.2				0.2					0.0
Writedowns and impairments				0.0				0.0					0.0					0.0
Other gains/losses				0.0				0.0					0.0					0.0
Other				0.0				0.0					0.0					0.0
Changes in operating assets and liabilities:																		
Accounts receivable				0.0		(0.2)		(0.2)	0.1				0.1					0.0
Prepaid expenses & other current assets	(0.9)	(0.5)	(0.4)	(1.1)	(0.5)	(0.4)	(1.1)	(2.1)	0.2	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Other assets				0.0				0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.3	0.6	0.0	1.1	(0.5)	1.3	(1.4)	(0.7)	2.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0
Accrued expenses	0.0	0.1	0.2	0.2	(0.0)	0.2	0.6	0.7	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Due to PAVmed	2.5	0.9	0.6	2.4	1.7	1.0	0.4	3.1	0.1				0.1					0.0
Other liabilities				0.0	0.1	0.2	(0.4)	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net cash (used in) provided by</b>	<b>(2.4)</b>	<b>(2.4)</b>	<b>(1.6)</b>	<b>(5.6)</b>	<b>(5.6)</b>	<b>(2.2)</b>	<b>(9.9)</b>	<b>(17.7)</b>	<b>(5.8)</b>	<b>(8.0)</b>	<b>(7.6)</b>	<b>(5.6)</b>	<b>(27.0)</b>	<b>(5.0)</b>	<b>(5.0)</b>	<b>(5.0)</b>	<b>(4.9)</b>	<b>(19.9)</b>
<b>Cash flow from investing activities</b>																		
Purchases of property and equipment				0.0	(0.0)	(0.0)	(0.8)	(0.9)	(0.1)	(0.9)	(0.1)	(0.9)	(2.0)	(0.1)	(0.9)	(2.0)	(0.1)	(3.2)
Purchases of short-term investments				0.0				0.0					0.0					0.0
Acquisitions				0.0				0.0					0.0					0.0
Other				0.0				0.0					0.0					0.0
<b>Net cash used in investing activities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.8)</b>	<b>(0.9)</b>	<b>(0.1)</b>	<b>(0.9)</b>	<b>(0.1)</b>	<b>(0.9)</b>	<b>(2.0)</b>	<b>(0.1)</b>	<b>(0.9)</b>	<b>(2.0)</b>	<b>(0.1)</b>	<b>(3.2)</b>
<b>Cash flow from financing activities</b>																		
Issuance of debt				0.0				0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of debt				0.0				0.0					0.0					0.0
Issuance of stock				0.0			64.3	64.3					0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from stock option exercises		0.0		0.0				0.0	0.2	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Other	2.5	2.9	1.1	5.6	7.7		(0.0)	7.7					0.0					0.0
Dividends and distributions				0.0				0.0					0.0					0.0
<b>Cash provided by (used in) financing activities</b>	<b>2.5</b>	<b>2.9</b>	<b>1.1</b>	<b>5.6</b>	<b>7.7</b>	<b>0.0</b>	<b>64.3</b>	<b>72.1</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Effect of exchange rate on cash				0.0				0.0					0.0					0.0
<b>Net increase (decrease) in cash</b>	<b>0.1</b>	<b>0.5</b>	<b>(0.5)</b>	<b>(0.0)</b>	<b>2.1</b>	<b>(2.2)</b>	<b>53.6</b>	<b>53.5</b>	<b>(5.7)</b>	<b>(8.9)</b>	<b>(7.7)</b>	<b>(6.5)</b>	<b>(28.9)</b>	<b>(5.2)</b>	<b>(5.9)</b>	<b>(7.0)</b>	<b>(5.0)</b>	<b>(23.0)</b>
Beginning cash and equivalents	0.0	0.2	0.7	0.2	0.1	2.2	0.0	0.1	53.7	47.9	39.0	31.3	53.7	24.8	19.6	13.7	6.8	24.8
Ending cash and equivalents	0.2	0.7	0.2	0.1	2.2	0.0	53.7	53.7	47.9	39.0	31.3	24.8	24.8	19.6	13.7	6.8	1.8	1.8

Source: Company reports and Ascendant Capital Markets estimates



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## **Lucid Diagnostics Inc.**

- Ascendant Capital Markets, LLC has received compensation for advisory or investment banking services from the company in the past 12 months.

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**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:*

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**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.

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Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
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Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	42	100%	13	31%

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