



Lucid Diagnostics Inc.

Q3 about inline as tests continues large ramp up. Expected high growth in 2022/23 should drive stock much higher. Lowering P/T to \$11.

United States
Healthcare

November 22, 2022

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COMPANY UPDATE

Rating: BUY

Ticker: LUCD

Price: \$1.92
(intraday)

Target: \$11.00
(from \$12.00)

Q3 about inline: Lucid recently (on November 14) reported its Q3 2022 (ending September) results. Revenue was \$0.1 million, compared with our and consensus estimates of \$0.4 – 0.5 million. Pro forma net loss was \$10.2 million or EPS of \$(0.28), compared with our and consensus estimates of \$(0.32) - (0.39). Lucid is still early in its commercialization so it generates minimal revenue currently, but revenue is expected to grow significantly in 2022/23.

EsoGuard growth: The company processed 1,088 tests in Q3, up from Q2's 850, 533 in Q1, 303 in Q4 2021, 203 in Q3 2021, and 202 in Q2 2021. Because it is still early in the billing/collection 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 \$13 million, down from \$15 million in Q2 2022.

No guidance: Management has not provided forward guidance.

Lowering 2022 estimates: We are lowering our 2022 estimates for revenues to \$0.6 million, from \$4.2 million, and for EPS to \$(1.13) from \$(1.10).

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.

GI associations support EsoGuard: Two of the leading gastroenterology (GI) specialty associations now support Lucid's EsoCheck Cell Collection Device and EsoGuard Esophageal DNA Test as an acceptable alternative to endoscopy.

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: Lucid plans 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 with 13 test centers: Lucid is 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 13 locations in 11 states, with 3 more test centers by the end of 2022. Lucid sales team is now 37 (who mainly call on primary care and specialist physicians), and is expected to get to 58 early in 2023.

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.

Balance sheet: In Q3, Lucid has \$27 million in cash and no debt so we believe it has enough cash through mid-2023. In October 2021, Lucid had its IPO and sold 5.0 million shares at \$14/share, raising ~\$70 million.

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 \$11 from \$12 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.

Stock Data

Exchange:	NasdaqGM
52-week Range:	\$1.51 – 8.54
Shares Outstanding (million):	39
Market cap (\$million):	\$75
EV (\$million):	\$48
Debt (\$million):	\$0
Cash (\$million):	\$27
Avg. Daily Trading Vol. (\$million):	\$0.3
Float (million shares):	9
Short Interest (million shares):	0.2
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		1.0E	4.0E
Q2 Jun	0.0A		2.0E	4.2E
Q3 Sep	0.1A	0.4E	4.0E	4.4E
Q4 Dec	<u>0.4E</u>	<u>3.6E</u>	<u>6.0E</u>	<u>5.4E</u>
Total	0.6E	4.2E	13.0E	18.0E
EV/Revs	80x		4x	

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		(0.29)E	(0.23)E
Q2 Jun	(0.28)A		(0.27)E	(0.22)E
Q3 Sep	(0.28)A	(0.32)E	(0.23)E	(0.21)E
Q4 Dec	<u>(0.33)E</u>	<u>(0.26)E</u>	<u>(0.20)E</u>	<u>(0.19)E</u>
Total	(1.13)E	(1.10)E	(0.99)E	(0.85)E
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

8



Nasdaq: PAVM

Innovation & Value Creation Engine

Internal Innovation >>>

License or Acquire >>>



Products ≡



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%

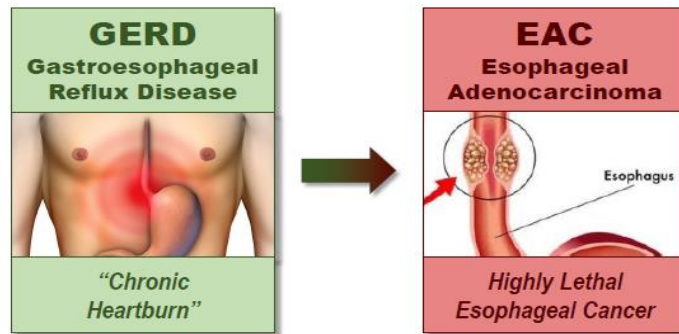


Source: Company reports.

Exhibit 4: Lucid Diagnostics



Commercial-Stage Diagnostic Technology Company Focused on Early Precancer Detection



MISSION: Prevent EAC Deaths in At-Risk GERD Patients



EsoGuard
esophageal DNA test



EsoCheck
cell collection device



First and only commercially available test capable of serving as a widespread screening tool to prevent EAC deaths through early detection of esophageal precancer

Highlights



EsoGuard commercialized as LDT at dedicated CLIA/CAP Laboratory



Lucid Test Centers operating in 13 states



Effective CMS Payment



FDA Breakthrough Device Designation



Minimum 30 Million U.S. target population already recommended for screening



EsoGuard & EsoCheck supported by professional society guidelines



Near-Term Value Inflection Milestones



Multi-Billion U.S. TAM

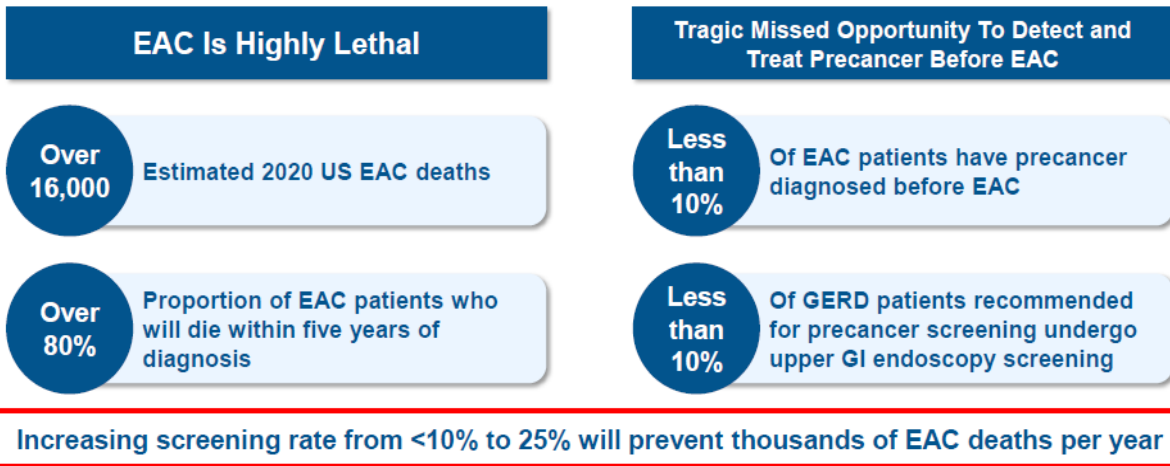
Exhibit 5: EsoCheck and EsoGuard Market Opportunity

EAC Precancer Screening to Prevent EAC

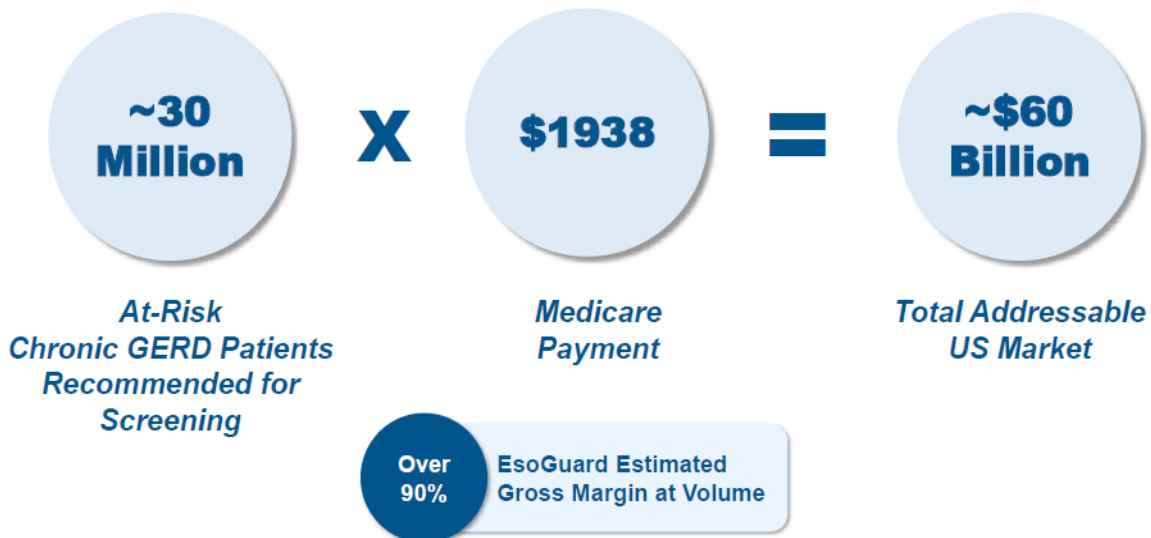
Major unmet clinical need

Necessary to prevent EAC deaths through early precancer detection

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



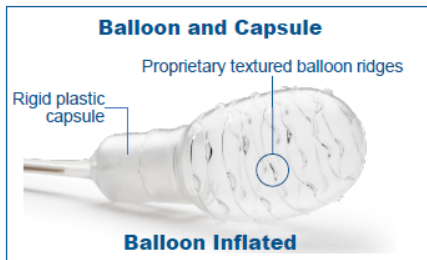
EsoGuard Commercial Opportunity



Source: Company reports.

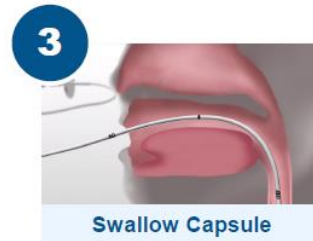
Exhibit 6: The EsoCheck Procedure

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

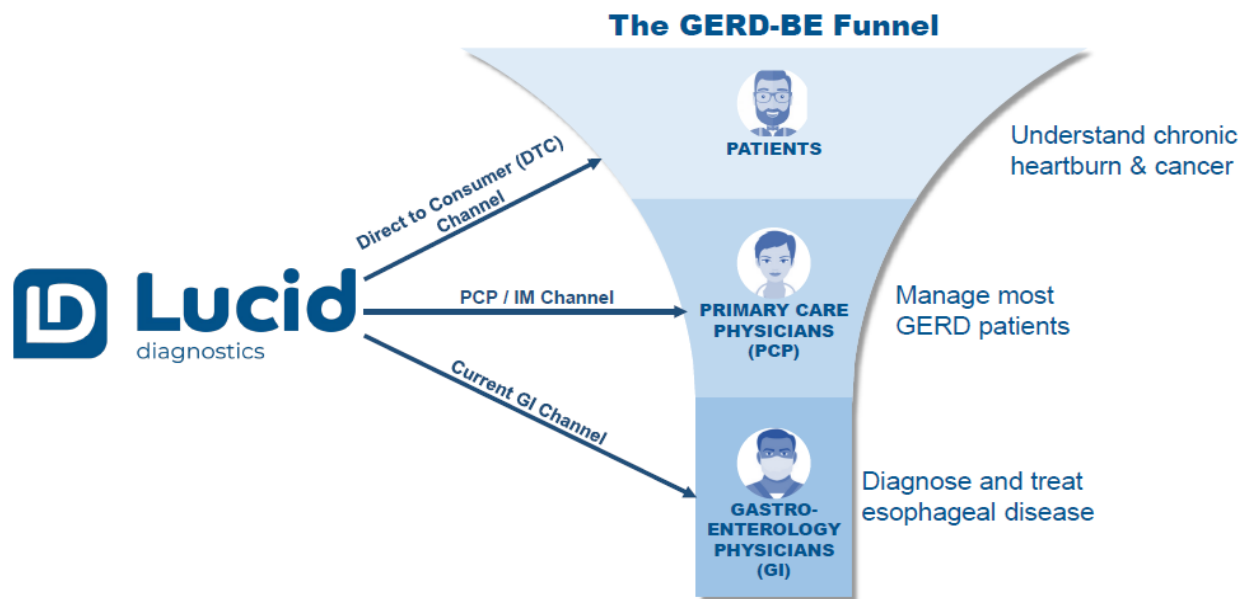
EsoCheck Procedure Steps





Source: Company reports.

Exhibit 7: Lucid Growth Strategy

Multichannel Commercial Strategy



EsoGuard Sales Channels

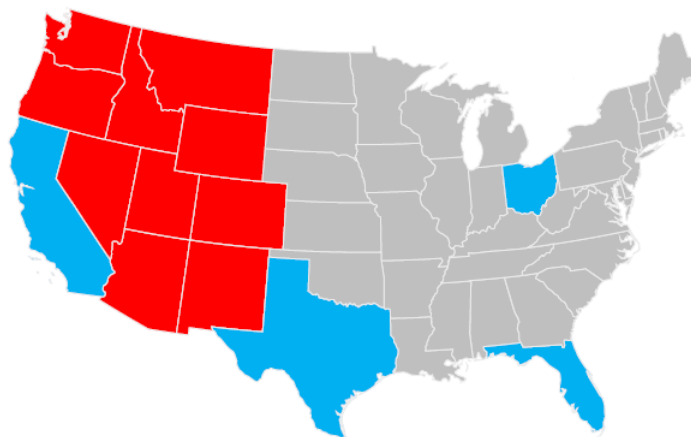
		 PCP-LTC	 SPEC-INST
ESOCHECK PROCEDURE	<i>Locale</i>	Lucid Test Center (LTC)	Practice/Institution
	<i>Operator</i>	LTC NP	Nurse/NP/PA
GOAL		Order EsoGuard Test	Build EsoGuard Program
CORE MESSAGE		<ul style="list-style-type: none"> Identify Precancer in at-risk GERD patients to prevent Esophageal Cancer 	<ul style="list-style-type: none"> Drive referrals to practice or institution generating long-term patients with BE Downstream revenue opportunities (EGD, ablation, imaging, pH/manometry, surgery)

Source: Company reports.

Exhibit 8: Lucid Test Centers (as of Q2 2022)

Lucid Test Centers

Stage 1	Stage 2	
Glendale, AZ	Lake Forest, CA	Launched
Tempe, AZ	Columbus, OH	Launched
Scottsdale, AZ	Las Colinas, TX	Launched
Lone Tree, CO	Delray Beach, FL	Launched
Henderson, NV	TBD	3Q22
Murray, UT	TBD	3Q22
Seattle, WA	TBD	4Q22
Portland, OR	TBD	4Q22
Boise, ID	TBD	4Q22



Lucid Test Centers



EsoGuard[®]
esophageal DNA test



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

4494 W Peoria Ave Ste 115A
Glendale, AZ 85302

1845 E Broadway Rd Ste 116
Tempe, AZ 85282

For prescribing information call:
(623) 687-2386

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

Estimated Quarterly Operating Costs	Nurse Practitioner	\$30,000
	Medical Assistant	\$12,500
	Lease, Other	\$2,500
	Total	\$45,000
Procedure	Max tests per day	20
	Billed rate per test	\$2,000
Revenue Opportunity	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.

Exhibit 9: Q3 2022 and Recent Business Highlights (as of November 14, 2022)

Highlights from the third quarter and recent weeks include:

- LucidDx Labs Inc. ("LucidDx Labs"), Lucid's wholly owned CLIA-certified, CAP-accredited clinical laboratory, performed 1,088 commercial EsoGuard[®] Esophageal DNA Tests in the third quarter of 2022, which represents a 28% increase sequentially from the second quarter of 2022 and a 436% annual increase from the third quarter of 2021.
- Lucid continued the steady expansion of its sales team to 37 professionals, particularly sales representatives who call on primary care physicians, and is progressing well towards its near-term target of 58 sales professionals early in the new year.
- Lucid now operates 13 Lucid Test Centers (LTC) in 11 states, including one recently opened in the Chicago metropolitan area. Test centers in three new cities are targeted to launch by the end of the year. Satellite LTC activity is rapidly increasing, representing 22% of patients tested in the third quarter.
- LucidDx Labs' is now operating independently and has rapidly enhanced key quality and efficiency metrics, including reducing average EsoGuard test turn-around time to less than one week.
- In August, LucidDx Labs began submitting claims for tests performed since the February transfer of the CLIA laboratory operations, which were held until its new revenue cycle management partner was in place. LucidDx Labs began receiving some payments for claims during the quarter.
- Lucid commenced production of its EsoCheck[®] Esophageal Cell Collection Devices ("EsoCheck") at Coastline International, Inc., a high-volume manufacturer headquartered in San Diego, CA with plants in Mexico, which is expected to decrease per-unit manufacturing costs by 60% and provide scalable manufacturing capacity to accommodate accelerating growth in EsoGuard testing volume.

Source: Company reports.

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



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

Exhibit 11: Consensus Expectations (as of November 14, 2022)

	Revenue (mil)			EPS	
	2022E	2023E		2022E	2023E
Q1 Mar	\$0.2A		Q1 Mar	\$(0.23)A	
Q2 Jun	\$0.0A		Q2 Jun	\$(0.28)A	
Q3 Sep	\$0.5E		Q3 Sep	\$(0.39)E	
Q4 Dec	\$1.7E		Q4 Dec	\$(0.37)E	
Total	\$2.4E	\$13.8E	Total	\$(1.52)E	\$(1.29)E

*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	Mar-22	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	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.3	0.5	0.2	0.0	0.1	0.4	0.6	1.0	2.0	4.0	6.0	13.0
Cost of Revenues	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.4	0.6	0.4	0.0	1.6	0.1	2.1	0.3	0.6	1.2	1.8	3.9
Gross Profit	0.0	0.0	0.0	0.0	0.0	0.0	0.1	(0.1)	(0.1)	(0.2)	0.0	(1.6)	0.2	(1.5)	0.7	1.4	2.8	4.2	9.1
Sales and marketing	0.0	0.3	0.3	1.3	0.7	1.0	1.0	3.3	5.9	3.3	3.9	3.9	5.0	16.1	4.0	4.0	4.0	4.0	16.0
General and administrative	1.0	0.8	0.5	1.5	1.2	3.1	3.4	6.3	14.0	5.7	7.3	5.7	7.0	25.7	7.5	7.5	7.5	7.5	30.0
Research and development	3.5	2.4	1.2	5.4	1.8	1.9	2.2	5.2	11.0	2.9	3.4	2.7	3.0	12.0	3.0	3.0	3.0	3.0	12.0
Restructuring and other	0.0			0.0					0.0			0.5		0.5					0.0
Total operating expenses	4.4	3.5	2.0	8.3	3.7	6.0	6.6	14.8	31.0	11.9	14.6	12.8	15.0	54.3	14.5	14.5	14.5	14.5	58.0
Operating income (loss)	(4.4)	(3.5)	(2.0)	(8.3)	(3.7)	(6.0)	(6.5)	(14.9)	(31.1)	(12.1)	(14.6)	(14.3)	(14.8)	(55.9)	(13.8)	(13.1)	(11.7)	(10.3)	(48.9)
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
Other income (expense)	0.0			0.0					0.0	(0.2)			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)	(3.7)	(6.2)	(7.0)	(15.0)	(31.7)	(12.3)	(14.6)	(14.3)	(14.8)	(56.0)	(13.8)	(13.1)	(11.7)	(10.3)	(48.9)
Income taxes	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)	(3.7)	(6.2)	(7.0)	(15.0)	(31.7)	(12.3)	(14.6)	(14.3)	(14.8)	(56.0)	(13.8)	(13.1)	(11.7)	(10.3)	(48.9)
Nonrecurring/noncash adjustments		0.0	0.0		0.8	2.7	3.2	3.5	10.3	4.0	4.5	4.2	2.0	14.7	2.3	2.3	2.3	2.3	9.0
Net income (pro forma)	(4.4)	(3.5)	(2.0)	(8.3)	(2.8)	(3.4)	(3.7)	(11.4)	(21.4)	(8.2)	(10.1)	(10.2)	(12.8)	(41.3)	(11.6)	(10.9)	(9.5)	(8.1)	(39.9)
EBITDA		(3.5)	(2.0)	(8.3)	(3.6)	(6.0)	(6.5)	(11.2)	(27.4)	(12.2)	(13.9)	(13.8)	(10.4)	(50.4)	(9.4)	(8.7)	(7.3)	(5.9)	(31.5)
Shares, Basic	14.1	14.1	14.1	14.1	14.1	14.1	14.1	34.9	18.6	35.1	35.8	36.4	39.1	36.6	39.6	40.1	40.6	41.1	40.4
Shares, Diluted	14.1	14.1	14.1	14.1	14.1	14.1	14.1	34.9	18.6	35.1	35.8	36.4	39.1	36.6	39.6	40.1	40.6	41.1	40.4
EPS Basic (pro forma)	(\$0.31)	(\$0.25)	(\$0.14)	(\$0.59)	(\$0.20)	(\$0.24)	(\$0.26)	(\$0.33)	(\$1.15)	(\$0.23)	(\$0.28)	(\$0.28)	(\$0.33)	(\$1.13)	(\$0.29)	(\$0.27)	(\$0.23)	(\$0.20)	(\$0.99)
EPS Diluted (pro forma)	(\$0.31)	(\$0.25)	(\$0.14)	(\$0.59)	(\$0.20)	(\$0.24)	(\$0.26)	(\$0.33)	(\$1.15)	(\$0.23)	(\$0.28)	(\$0.28)	(\$0.33)	(\$1.13)	(\$0.29)	(\$0.27)	(\$0.23)	(\$0.20)	(\$0.99)
Margins																			
Gross margin						28%	-47%		-17%	-95% #DIV/0!	-2039%	60%	-247%		70%	70%	70%	70%	70%
Sales and marketing						489%	1087%		1190%	1756% #DIV/0!	5171%	1429%	2621%		400%	200%	100%	67%	123%
General and administrative						1699%	2086%		2798%	3025% #DIV/0!	7447%	2000%	4177%		750%	375%	188%	125%	231%
Research and development						1095%	1744%		2210%	1524% #DIV/0!	3558%	857%	1955%		300%	150%	75%	50%	92%
Operating margin	NM	NM	NM	NM	NM	-3255%	-4964%		-6214%	-6401%	NM	-18880%	-4226%		-1380%	-655%	-293%	-172%	-376%
Tax rate, GAAP	0%	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%	-4986%		-6346%	-6492%	NM	-18880%	-4226%		-9111%	-1380%	-655%	-293%	-172%
Y/Y % change																			
Total Revenue															429%	#DIV/0!	5163%	1614%	2014%
Gross margin															-489%	#DIV/0!	-281%	1900%	-699%
Sales and marketing				#DIV/0!	203%	192%	#DIV/0!		356%	381%	279%	302%	53%	171%	21%	3%	2%	-20%	-1%
General and administrative				60%	295%	622%	#DIV/0!		813%	372%	134%	67%	12%	84%	31%	3%	33%	7%	17%
Research and development				57%	-22%	80%	#DIV/0!		103%	64%	84%	23%	-43%	9%	4%	-13%	11%	0%	0%
Operating income (loss)				87%	71%	222%	#DIV/0!		275%	231%	143%	120%	-1%	80%	14%	-10%	-18%	-30%	-12%
Net income (loss)				87%	75%	244%	#DIV/0!		283%	236%	137%	106%	-1%	77%	12%	-10%	-18%	-30%	-13%
EPS Diluted (pro forma)				87%	-2%	86%	#DIV/0!		96%	16%	16%	6%	0%	-2%	24%	-4%	-17%	-40%	-12%

Source: Company reports and Ascendant Capital Markets estimates.

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	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
Assets													
Cash and cash equivalents	0.2	0.1	2.2	0.0	53.7	47.9	32.7	26.9	16.3	6.5	(2.5)	(10.8)	(17.0)
Short term investments									0.0	0.0	0.0	0.0	0.0
Accounts receivable				0.2	0.2	0.1		0.0	0.0	0.0	0.0	0.0	0.0
Deferred income taxes									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	3.2	2.9	2.9	2.9	2.9	2.9	2.9
Total current assets	0.4	1.4	4.1	2.5	57.3	52.3	35.9	29.8	19.2	9.4	0.4	(7.9)	(14.1)
Property and equipment, net					1.0	1.1	1.3	1.5	1.1	0.9	0.5	0.9	0.6
Intangibles, net						5.7	4.5	4.0	4.0	4.0	4.0	4.0	4.0
Deferred income tax									0.0	0.0	0.0	0.0	0.0
Other	0.6	0.8	0.8	0.8	0.7	2.9	3.8	3.1	3.1	3.1	3.1	3.1	3.1
Total assets	1.0	2.2	4.8	3.3	59.0	62.1	45.4	38.4	27.3	17.3	8.0	0.0	(6.5)
Liabilities and stockholders' equity													
Accounts payable	0.8	2.1	1.5	2.8	1.5	4.5	2.4	1.1	1.1	1.1	1.1	1.1	1.1
Accrued expenses	0.2	0.4	0.4	0.3	1.1	2.2	1.2	1.1	1.1	1.1	1.1	1.1	1.1
Deferred income tax									0.0	0.0	0.0	0.0	0.0
Other						5.7	1.8	0.9	0.9	0.9	0.9	0.9	0.9
Due to PAVmed Inc.	5.3	13.3	22.9	24.3	1.7	1.8	2.4	6.6	6.6	6.6	6.6	6.6	6.6
Short term debt									0.0	0.0	0.0	0.0	0.0
Total current liabilities	6.3	15.7	24.8	27.4	4.3	14.1	7.9	9.7	9.7	9.7	9.7	9.7	9.7
Deferred income taxes									0.0	0.0	0.0	0.0	0.0
Warrant liabilities									0.0	0.0	0.0	0.0	0.0
Other long term liabilities						1.5	1.3	1.1	1.1	1.1	1.1	1.1	1.1
Long term debt									0.0	0.0	0.0	0.0	0.0
Total other liabilities	0.0	0.0	0.0	0.0	0.0	1.5	1.3	1.1	1.1	1.1	1.1	1.1	1.1
Preferred stock									0.0	0.0	0.0	0.0	0.0
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.8	7.6	11.3	15.1	18.8
Additional paid-in capital	0.2	0.3	3.7	6.5	96.6	100.6	105.0	110.6	110.6	110.6	110.6	110.6	110.6
Retained earnings	(5.5)	(13.8)	(23.6)	(30.6)	(41.9)	(54.2)	(68.8)	(83.1)	(97.9)	(111.7)	(124.8)	(136.5)	(146.8)
Accumulated other comprehensive income									0.0	0.0	0.0	0.0	0.0
Minority Interest									0.0	0.0	0.0	0.0	0.0
Total stockholders' equity	(5.3)	(13.5)	(19.9)	(24.1)	54.7	46.5	36.2	27.5	16.5	6.5	(2.9)	(10.8)	(17.4)
Total stockholders' equity and liabilities	1.0	2.2	4.8	3.3	59.0	62.1	45.4	38.4	27.3	17.3	8.0	0.0	(6.5)

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	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
Book & Cash Value (per share)													
Book Value per Share (diluted)	(0.38)	(0.96)	(1.41)	(1.71)	1.57	1.32	1.01	0.76	0.42	0.16	(0.07)	(0.27)	(0.42)
Cash per Share (diluted)	0.01	0.01	0.16	0.00	1.54	1.36	0.91	0.74	0.42	0.16	(0.06)	(0.27)	(0.41)
Net cash per Share (diluted)	0.01	0.01	0.16	0.00	1.54	1.36	0.91	0.74	0.42	0.16	(0.06)	(0.27)	(0.41)

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	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Cash flow from operating activities																			
Net income	(4.4)	(3.5)	(2.0)	(8.3)	(9.8)	(7.0)	(11.3)	(28.1)	(12.3)	(14.6)	(14.3)	(14.8)	(56.0)	(13.8)	(13.1)	(11.7)	(10.3)	(48.9)	
Depreciation				0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.6	0.6	1.9	0.6	0.6	0.6	0.6	2.4	
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	4.1	3.8	3.8	15.4	3.8	3.8	3.8	3.8	15.0	
Deferred income taxes				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					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)		0.2					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	(0.9)	0.9	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	
Accounts payable	0.3	0.6	0.0	1.1	(0.5)	1.3	(1.4)	(0.7)	2.0	(1.0)	(1.3)	0.0	(0.4)	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	(0.1)	0.0	0.0	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	(1.4)	4.2		2.8					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	
Net cash (used in) provided by	(2.4)	(2.4)	(1.6)	(5.6)	(5.6)	(2.2)	(9.9)	(17.7)	(5.8)	(13.3)	(6.3)	(10.4)	(35.9)	(9.4)	(8.7)	(7.3)	(5.9)	(31.5)	
Cash flow from investing activities																			
Purchases of property and equipment				0.0	(0.0)	(0.0)	(0.8)	(0.9)	(0.1)	(0.2)	(0.3)	(0.2)	(0.9)	(0.3)	(0.2)	(0.9)	(0.3)	(1.8)	
Purchases of short-term investments				0.0				0.0					0.0					0.0	
Acquisitions				0.0				0.0		(2.2)	(1.0)		(3.2)					0.0	
Other				0.0				0.0					0.0					0.0	
Net cash used in investing activities	0.0	0.0	0.0	0.0	(0.0)	(0.0)	(0.8)	(0.9)	(0.1)	(2.4)	(1.3)	(0.2)	(4.1)	(0.3)	(0.2)	(0.9)	(0.3)	(1.8)	
Cash flow from financing activities																			
Issuance of debt				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			1.8	0.0	1.8	0.0	0.0	0.0	0.0	0.0	
Proceeds from stock option exercises		0.0		0.0				0.0	0.2	0.5	0.1		0.8					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	
Cash provided by (used in) financing activities	2.5	2.9	1.1	5.6	7.7	0.0	64.3	72.1	0.2	0.5	1.9	0.0	2.6	0.0	0.0	0.0	0.0	0.0	
Effect of exchange rate on cash				0.0				0.0					0.0					0.0	
Net increase (decrease) in cash	0.1	0.5	(0.5)	(0.0)	2.1	(2.2)	53.6	53.5	(5.7)	(15.2)	(5.7)	(10.7)	(37.4)	(9.8)	(9.0)	(8.3)	(6.3)	(33.3)	
Beginning cash and equivalents	0.0	0.2	0.7	0.2	0.1	2.2	0.0	0.1	53.7	47.9	32.7	26.9	53.7	16.3	6.5	(2.5)	(10.8)	16.3	
Ending cash and equivalents	0.2	0.7	0.2	0.1	2.2	0.0	53.7	53.7	47.9	32.7	26.9	16.3	16.3	6.5	(2.5)	(10.8)	(17.0)	(17.0)	

Source: Company reports and Ascendant Capital Markets estimates

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Lucid Diagnostics Inc.

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Total return is defined as price appreciation plus dividend yield.

Ascendant Capital Markets, LLC 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.

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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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Sell	1	2%	0	0%
Total	44	100%	17	39%

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