



# Lucid Diagnostics Inc.

*Q4 about inline. Expected high growth in 2024 should drive stock much higher. Exact Sciences entry into market validates huge value for Lucid. Lowering P/T to \$8.00.*

**Q4 about inline:** Lucid recently (on March 25) reported its Q4 2023 (ending December) results. Revenue was \$1.0 million, compared with our estimates of \$0.9 and consensus of \$1.1 million. Pro forma net loss was \$9.8 million or EPS of \$(0.23), compared with our estimates of \$(0.20) and consensus of \$(0.25). Lucid is still early in its commercialization so it generates relatively low revenue currently, but revenue is expected to grow significantly in 2024.

**EsoGuard growth:** The company processed 2,201 tests in Q4, down from 2,575 tests in Q3, 2,202 tests in Q2, 1,841 tests in Q1, 1,174 tests in Q4 2022. 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). We estimate that there are ~\$20 million in potential test revenue backlog from those performed, but not yet collected.

**Operating expenses:** Operating expenses were \$11 million, up from \$10 million in Q3 2023.

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

**Adjusting 2024 estimates:** We are adjusting our 2024 estimates for revenues to \$4.6 million, from \$9.4 million, and for EPS to \$(0.69) from \$(0.61).

**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. 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.

**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.

**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.

**Exact's validation:** Exact Sciences, a leading provider of cancer screening and diagnostic tests, recently announced that it is working on a competing non-endoscopic Oncoguard Esophagus test (in early product development) similar to EsoGuard. Exact's entry into this market validates the huge market opportunity for EsoGuard. We believe that EsoGuard's huge first mover advantage and better test makes Lucid a very attractive potential acquisition candidate.

**Balance sheet:** In Q4, Lucid has \$19 million in cash and \$14 million in debt. In the just completed Q1, Lucid raised \$18 million in preferred stock. We believe it has enough cash into late-2024.

**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 \$8.00 from \$8.50 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

April 14, 2024

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## Stock Data

Exchange:	NasdaqGM
52-week Range:	\$0.78 – 1.85
Shares Outstanding (million):	48
Market cap (\$million):	\$39
EV (\$million):	\$34
Debt (\$million):	\$14
Cash (\$million):	\$19
Avg. Daily Trading Vol. (\$million):	\$0.3
Float (million shares):	15
Short Interest (million shares):	0.5
Dividend, annual (yield):	\$0 (NA%)

## Revenues (US\$ million)

	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>	<u>2025E</u> <u>(Cur.)</u>	<u>2025E</u> <u>(Old)</u>
Q1 Mar	1.0E	1.1E	1.4E	
Q2 Jun	1.1E	1.5E	1.5E	
Q3 Sep	1.2E	2.3E	2.3E	
Q4 Dec	<u>1.3E</u>	<u>4.5E</u>	<u>4.8E</u>	
<b>Total</b>	<b>4.6E</b>	<b>9.4E</b>	<b>10.0E</b>	
EV/Revs	7x		3x	

## Earnings per Share (pro forma)

	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>	<u>2025E</u> <u>(Cur.)</u>	<u>2025E</u> <u>(Old)</u>
Q1 Mar	(0.17)E		(0.17)E	
Q2 Jun	(0.18)E	(0.16)E	(0.16)E	
Q3 Sep	(0.17)E	(0.15)E	(0.15)E	
Q4 Dec	<u>(0.17)E</u>	<u>(0.12)E</u>	<u>(0.12)E</u>	
<b>Total</b>	<b>(0.69)E</b>	<b>(0.61)E</b>	<b>(0.60)E</b>	
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 16.**

## COMPANY UPDATE

Rating: **BUY**

Ticker: LUCD

Price: \$0.81

Target: \$8.00  
(from \$8.50)

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*



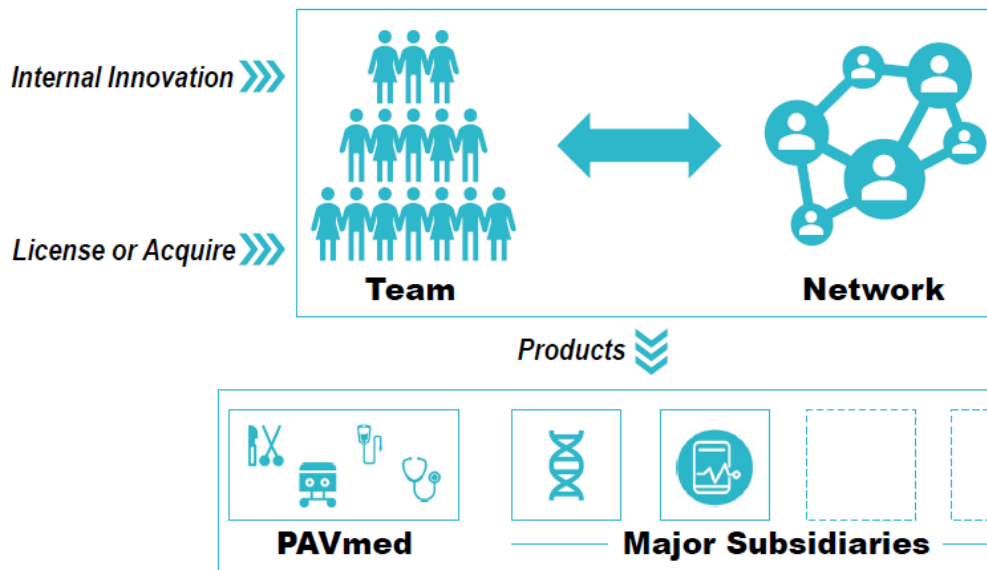
*Business Model Focused on Speed to Market*

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**Nasdaq: PAVM**

**Innovation & Value Creation Engine**



Source: Company reports

Exhibit 2: PAVmed's Major Subsidiaries (as of 2022)



**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%

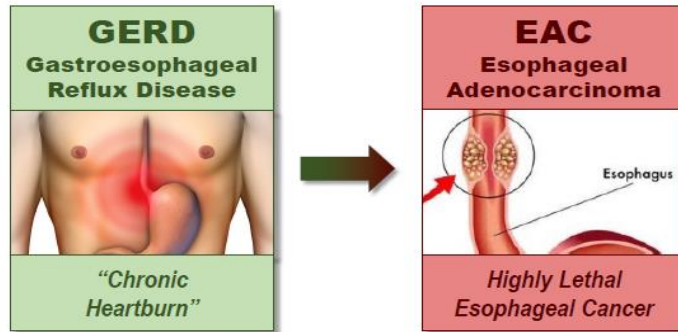


Source: Company reports.

Exhibit 4: Lucid Diagnostics



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



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

### Lead Lucid Products

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



**EsoGuard**  
esophageal DNA test



**EsoCheck**  
cell collection device



Both major gastroenterology societies now support EsoCheck as an acceptable alternative to endoscopy for early detection of esophageal precancer to prevent EAC deaths

### Highlights



**EsoGuard**  
commercialized as  
LDT at dedicated  
CLIA/CAP Laboratory



**Lucid Test Centers**  
operating in 13 states



**\$1938**  
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**

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Source: Company reports.

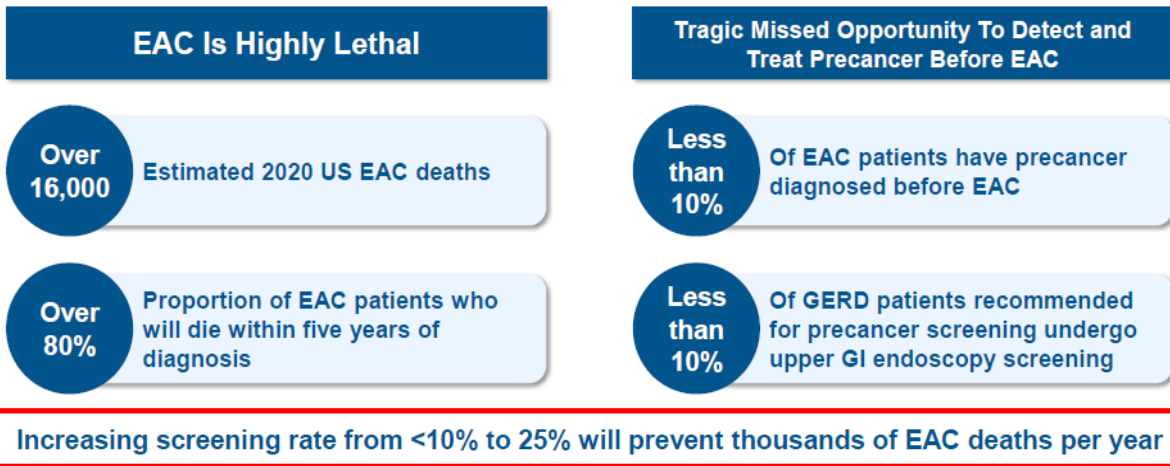
Exhibit 5: EsoCheck and EsoGuard Market Opportunity

## EAC Precancer Screening to Prevent EAC

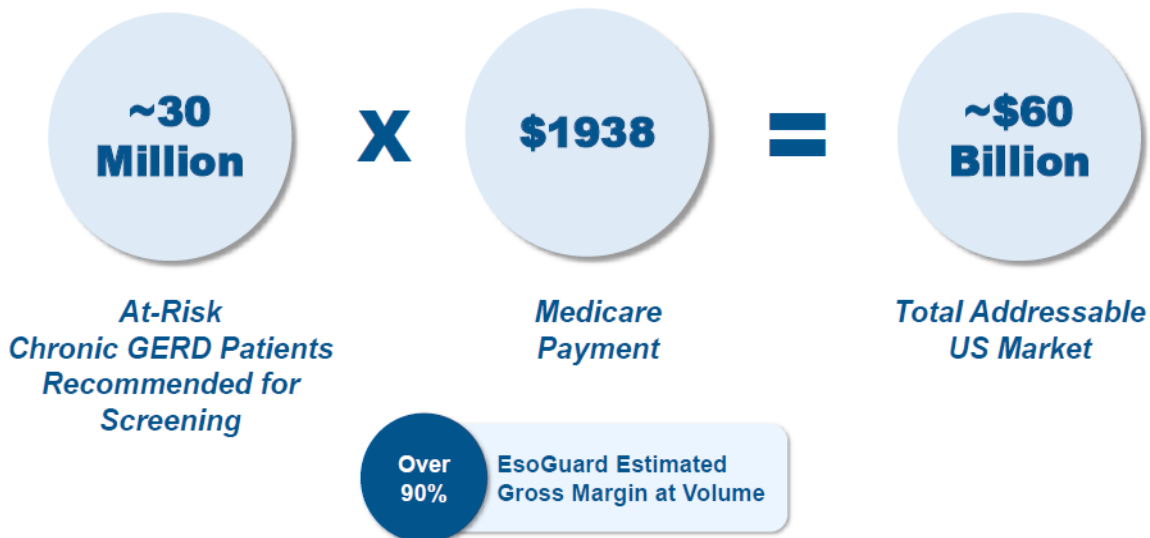
Major unmet clinical need

Necessary to prevent EAC deaths through early precancer detection

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



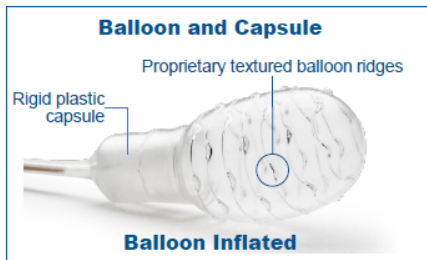
## EsoGuard Commercial Opportunity



Source: Company reports.

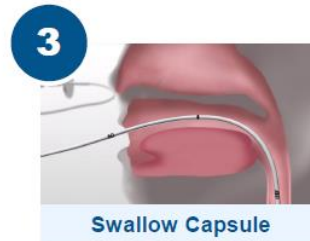
Exhibit 6: The EsoCheck Procedure

# 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

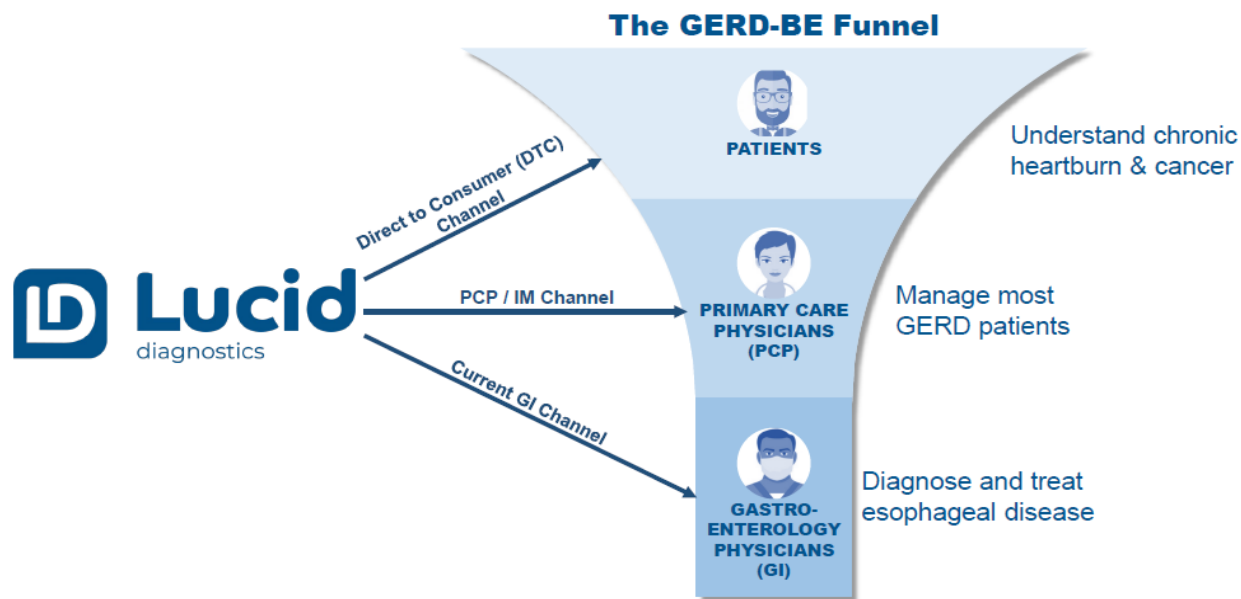
## EsoCheck Procedure Steps



Source: Company reports.

Exhibit 7: Lucid Growth Strategy

## Multichannel Commercial Strategy



## EsoGuard Commercial Strategy

REFERRAL SOURCE	PCP	Specialty / Institution
Target	Primary Care Physician	Specialists (GI, Foregut, ENT) Institutions (large practices, hospitals)
GOAL	Order EsoGuard Test	Build EsoGuard Program

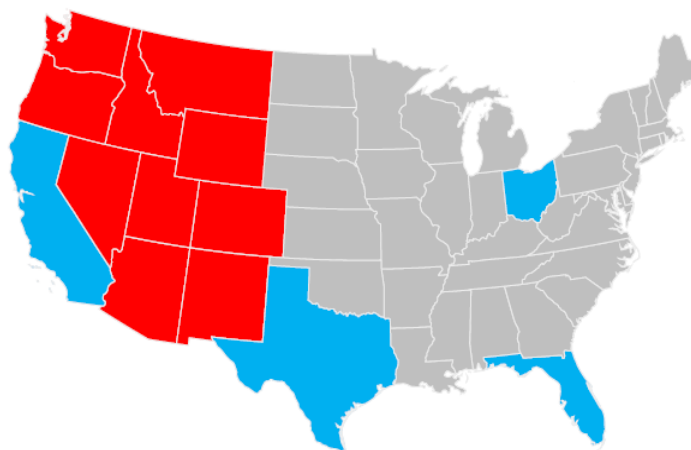
CELL COLLECTION SITE	Lucid Test Center (LTC)	Satellite Lucid Test Center (sLTC)	Physician Practice
EsoCheck Procedure Operator	Lucid NP	Lucid NP	Practice RN / NP / PA

Source: Company reports.

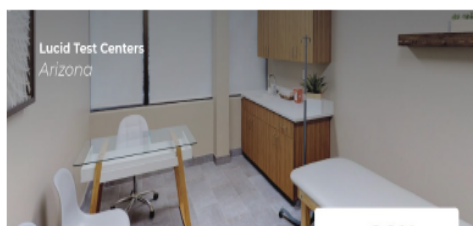
Exhibit 8: Lucid Test Centers (as of Q2 2022)

## 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

**>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 mailed, 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 91st 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**

Estimated Quarterly Operating Costs		
	Nurse Practitioner	\$30,000
Medical Assistant	\$12,500	
Lease, Other	\$2,500	
<b>Total</b>	<b>\$45,000</b>	

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 10: Q4 2023 and Recent Business Highlights (as of March 25, 2024)

### Highlights from the fourth quarter and recent weeks include:

- 4Q23 EsoGuard revenue was \$1.04M, which represents a 33 percent increase sequentially from 3Q23 and an 829 percent annual increase from 4Q22.
- Lucid's CLIA-certified clinical laboratory performed 2,201 commercial EsoGuard® Esophageal DNA Tests in 4Q23.
- High-volume #CYFT health fair testing events continue to gain traction with a robust roster of events scheduled through July.
- Lucid initiated EsoGuard testing at over a dozen strategic accounts at health systems and academic medical centers with several dozen more engagements in process.
- Since upgrading to a new revenue cycle management provider in mid-June, Lucid has submitted claims to commercial and governmental payors representing approximately \$20 million in pro forma revenue. The vast majority of these claims have been adjudicated with nearly half resulting in an allowable amount of approximately \$1,800 per test, on average.
- EsoGuard's clinical validity and clinical utility data evidence base has expanded significantly in the fourth quarter and recent months. Lucid now has publicly-released data from three clinical validity studies demonstrating excellent EsoGuard sensitivity and negative predictive value, including unprecedented performance of a molecular diagnostic test in detecting precancer. In addition, three published clinical utility studies have documented near-perfect concordance between EsoGuard results and physician referral for upper gastrointestinal endoscopy. These data provide a strong foundation of critical evidence needed to support broad EsoGuard medical policy coverage. Lucid expects to leverage this data in its upcoming re-engagement with the MoIDX program to secure Medicare coverage under the final and effective foundational Local Coverage Determination.
- Held several meetings in recent months with medical directors of major commercial payors to discuss clinical validity and utility data and formally request positive medical policy determinations for EsoGuard. The Company also participated in a Blue Cross Blue Shield Association of America webinar with dozens of medical directors in attendance, during which Nicholas Shaheen, M.D., M.P.H., a leading esophageal precancer expert and lead author of the American College of Gastroenterology's guidelines, advocated for coverage of non-endoscopic biomarker testing consistent with the ACG guidelines. Lucid also expects recent expansion of legislation requiring coverage of certain biomarker tests, now effective in fourteen states, will help drive medical policy coverage.
- Established that EsoGuard testing can be offered as a covered benefit within health and wellness programs as a means

to drive contractually-guaranteed revenues. Lucid has built a robust pipeline of direct contracting counterparties, including benefits brokers, third-party administrators, and self-insured entities. The Company expects to drive direct contract testing events with meaningful revenues in the coming quarters. The Company is adding resources to the direct contracting team to accelerate this initiative

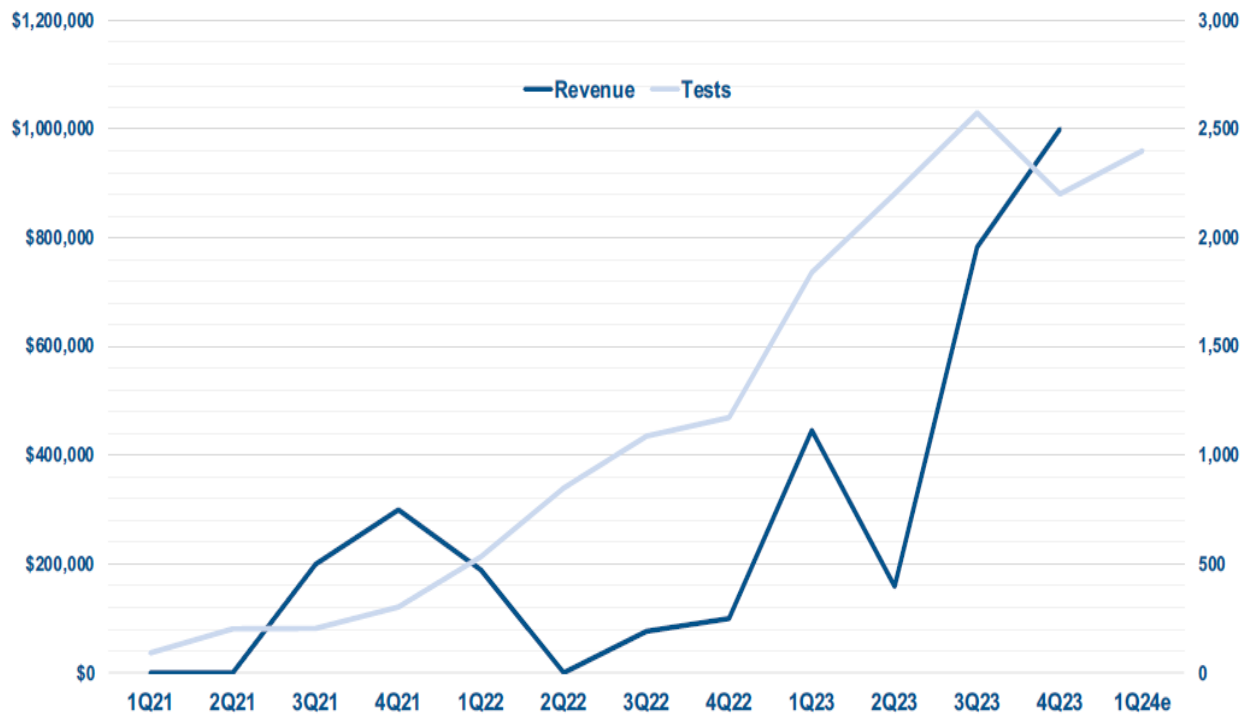
## Lucid Accomplishments and Near-Term Goals

	<b>CLINICAL EVIDENCE</b>
<input checked="" type="checkbox"/> <b>Clinical Validity</b>	4 published or preprint manuscripts unprecedented precancer detection results
<input checked="" type="checkbox"/> <b>Clinical Utility</b>	3 published studies with near-perfect concordance
	<b>REIMBURSEMENT</b>
<input checked="" type="checkbox"/> <b>Revenue Cycle Management</b>	Claims processing optimized with stable out-of-network pricing near \$1938 CMS price and improving payment rates
<input checked="" type="checkbox"/> <b>Market Access Team</b>	Strengthened team with new VP, Market Access and VP, Employer Markets
<input type="checkbox"/> <b>Medical Policy Coverage</b>	Active engagements with payors secure commercial and CMS coverage, MoIDX foundational LCD final and effective
<input type="checkbox"/> <b>Direct Contracting</b>	Launched major initiative to offer EsoGuard as a covered health and well benefit

Source: Company reports.

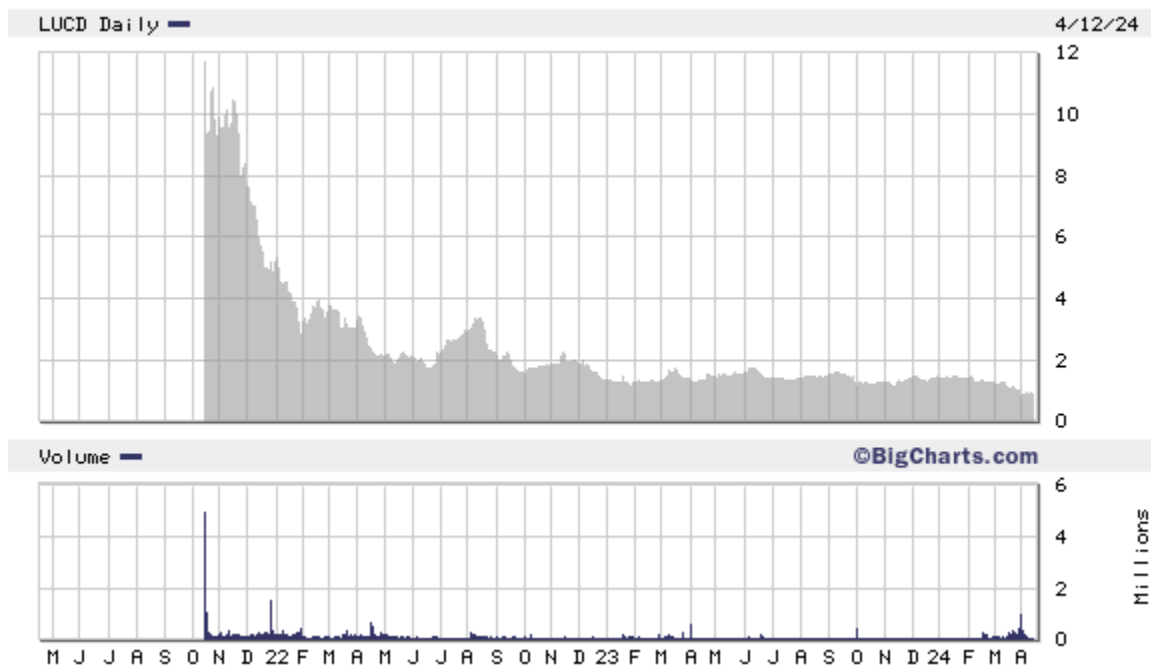
Exhibit 11: EsoGuard Testing Volume (as of Q4 2023)

## EsoGuard Revenue & Test Volume



Source: Company reports.

**Exhibit 12: Lucid Diagnostics Inc. Stock Price (3 years since IPO in October 2021)**



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

**Exhibit 13: Consensus Expectations (as of March 25, 2024)**

	Revenue (mil)			EPS	
	2023E	2024E		2023E	2024E
Q1 Mar	\$0.4A	\$1.3E	Q1 Mar	\$(0.24)A	\$(0.26)E
Q2 Jun	\$0.2A		Q2 Jun	\$(0.23)A	
Q3 Sep	\$0.8A		Q3 Sep	\$(0.22)A	
Q4 Dec	\$1.1E		Q4 Dec	\$(0.25)E	
<b>Total</b>	<b>\$2.5E</b>	<b>\$11.2E</b>	<b>Total</b>	<b>\$(1.26)E</b>	<b>\$(0.92)E</b>

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

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

## FINANCIAL MODEL

### Lucid Diagnostics Inc.

Income Statement (\$ mils)	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
<b>Total Revenue</b>	<b>0.2</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.4</b>	<b>0.4</b>	<b>0.2</b>	<b>0.8</b>	<b>1.0</b>	<b>2.4</b>	<b>1.0</b>	<b>1.1</b>	<b>1.2</b>	<b>1.3</b>	<b>4.6</b>	<b>1.4</b>	<b>1.5</b>	<b>2.3</b>	<b>4.8</b>	<b>10.0</b>
Cost of Revenues	0.4	0.0	1.6	1.6	3.6	1.3	1.5	1.6	1.5	6.0	0.3	0.3	0.4	0.4	1.4	0.4	0.5	0.7	1.4	3.0
Gross Profit	(0.2)	0.0	(1.6)	(1.5)	(3.2)	(0.9)	(1.4)	(0.9)	(0.4)	(3.6)	0.7	0.8	0.8	0.9	3.2	1.0	1.1	1.6	3.4	7.0
Sales and marketing	3.3	3.9	3.9	5.0	16.1	4.1	4.0	3.8	4.4	16.4	4.0	4.0	4.0	4.0	16.0	4.0	4.0	4.0	4.0	16.0
General and administrative	5.7	7.3	5.7	5.0	23.7	6.5	3.8	4.3	4.6	19.3	5.0	5.0	5.0	5.0	20.0	5.0	5.0	5.0	5.0	20.0
Research and development	2.9	3.4	2.7	2.4	11.5	2.3	1.8	1.6	1.5	7.3	2.0	2.0	2.0	2.0	8.0	2.0	2.0	2.0	2.0	8.0
Restructuring and other			0.5	1.1	1.6		0.5	0.5	0.5	2.0					0.0					0.0
Total operating expenses	11.9	14.6	12.8	13.6	52.9	13.4	10.2	10.3	11.0	44.9	11.0	11.0	11.0	11.0	44.0	11.0	11.0	11.0	11.0	44.0
<b>Operating income (loss)</b>	<b>(12.1)</b>	<b>(14.6)</b>	<b>(14.3)</b>	<b>(15.1)</b>	<b>(56.2)</b>	<b>(14.3)</b>	<b>(11.6)</b>	<b>(11.1)</b>	<b>(11.5)</b>	<b>(48.5)</b>	<b>(10.3)</b>	<b>(10.2)</b>	<b>(10.2)</b>	<b>(10.1)</b>	<b>(40.8)</b>	<b>(10.0)</b>	<b>(10.0)</b>	<b>(9.4)</b>	<b>(7.6)</b>	<b>(37.0)</b>
Interest income (expense)					0.0	0.0	(0.1)	(0.0)	0.1	0.0	(0.3)	(0.6)	(0.6)	(0.6)	(2.2)	(0.6)	(0.6)	(0.6)	(0.6)	(2.6)
Other income (expense)	(0.2)				(0.2)	(2.0)	0.3	(3.0)	0.5	(4.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income before income taxes	(12.3)	(14.6)	(14.3)	(15.1)	(56.3)	(16.2)	(11.4)	(14.2)	(10.8)	(52.7)	(10.6)	(10.9)	(10.8)	(10.7)	(43.0)	(10.7)	(10.6)	(10.0)	(8.3)	(39.6)
Income taxes					0.0					0.0					0.0					0.0
Net income (loss)	(12.3)	(14.6)	(14.3)	(15.1)	(56.3)	(16.2)	(11.4)	(14.2)	(10.8)	(52.7)	(10.6)	(10.9)	(10.8)	(10.7)	(43.0)	(10.7)	(10.6)	(10.0)	(8.3)	(39.6)
Nonrecurring/noncash adjustme	4.0	4.5	4.2	4.5	17.3	6.5	1.8	4.9	1.0	14.2	2.3	2.3	2.3	2.3	9.0	2.3	2.3	2.3	2.3	9.0
<b>Net income (pro forma)</b>	<b>(8.2)</b>	<b>(10.1)</b>	<b>(10.2)</b>	<b>(10.6)</b>	<b>(39.1)</b>	<b>(9.8)</b>	<b>(9.6)</b>	<b>(9.3)</b>	<b>(9.8)</b>	<b>(38.4)</b>	<b>(8.3)</b>	<b>(8.6)</b>	<b>(8.5)</b>	<b>(8.5)</b>	<b>(34.0)</b>	<b>(8.4)</b>	<b>(8.3)</b>	<b>(7.8)</b>	<b>(6.0)</b>	<b>(30.6)</b>
EBITDA	(12.2)	(13.9)	(13.8)	(14.3)	(54.2)	(15.7)	(10.7)	(13.6)	(10.3)	(50.2)	(9.2)	(9.2)	(9.1)	(9.0)	(36.5)	(9.0)	(8.9)	(8.3)	(6.6)	(32.7)
Shares, Basic	35.1	35.8	36.4	31.9	36.2	41.0	41.8	41.9	42.3	41.8	48.2	48.7	49.2	49.7	49.0	50.2	50.7	51.2	51.7	51.0
Shares, Diluted	35.1	35.8	36.4	31.9	36.2	41.0	41.8	41.9	42.3	41.8	48.2	48.7	49.2	49.7	49.0	50.2	50.7	51.2	51.7	51.0
EPS Basic (pro forma)	(\$0.23)	(\$0.28)	(\$0.28)	(\$0.33)	(\$1.08)	(\$0.24)	(\$0.23)	(\$0.22)	(\$0.23)	(\$0.92)	(\$0.17)	(\$0.18)	(\$0.17)	(\$0.17)	(\$0.69)	(\$0.17)	(\$0.16)	(\$0.15)	(\$0.12)	(\$0.60)
EPS Diluted (pro forma)	(\$0.23)	(\$0.28)	(\$0.28)	(\$0.33)	(\$1.08)	(\$0.24)	(\$0.23)	(\$0.22)	(\$0.23)	(\$0.92)	(\$0.17)	(\$0.18)	(\$0.17)	(\$0.17)	(\$0.69)	(\$0.17)	(\$0.16)	(\$0.15)	(\$0.12)	(\$0.60)
<b>Margins</b>																				
Gross margin	-95%	#DIV/0!	-2039%	-1346%	-859%	-200%	-874%	-109%	-40%	-146%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%
Sales and marketing	1756%	#DIV/0!	5171%	4476%	4280%	925%	2536%	490%	424%	676%	400%	364%	333%	308%	348%	286%	267%	174%	83%	160%
General and administrative	3025%	#DIV/0!	7447%	4461%	6282%	1460%	2409%	552%	442%	793%	500%	455%	417%	385%	435%	357%	333%	217%	104%	200%
Research and development	1524%	#DIV/0!	3558%	2179%	3041%	512%	1149%	206%	147%	299%	200%	182%	167%	154%	174%	143%	133%	87%	42%	80%
Operating margin	-6401%	NM	-18880%	-13483%	-14899%	-3210%	-7286%	-1421%	-1101%	-1997%	-1030%	-930%	-847%	-776%	-887%	-716%	-663%	-408%	-159%	-370%
Tax rate, GAAP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net margin	-6492%	NM	-18880%	-13483%	-14945%	-3643%	-7158%	-1815%	-1041%	-2169%	-1058%	-988%	-900%	-825%	-934%	-761%	-706%	-436%	-172%	-396%
<b>Y/Y % change</b>																				
Total Revenue			-62%	-63%	-25%	136%	#DIV/0!	930%	829%	544%	124%	592%	53%	25%	89%	40%	36%	92%	269%	117%
Gross margin			-2881%	971%	3708%	396%	#DIV/0!	-45%	-72%	10%	-178%	-155%	-199%	-318%	-191%	40%	36%	92%	269%	117%
Sales and marketing	381%	279%	302%	54%	171%	24%	4%	-2%	-12%	2%	-3%	-1%	4%	-9%	-2%	0%	0%	0%	0%	0%
General and administrative	372%	134%	67%	-20%	69%	14%	-48%	-24%	-8%	-19%	-23%	31%	16%	9%	4%	0%	0%	0%	0%	0%
Research and development	64%	84%	23%	-53%	4%	-21%	-47%	-40%	-37%	-37%	-12%	9%	24%	31%	10%	0%	0%	0%	0%	0%
Operating income (loss)	231%	143%	120%	1%	81%	18%	-21%	-22%	-24%	-14%	-28%	-12%	-9%	-12%	-16%	-3%	-3%	-8%	-24%	-9%
Net income (loss)	236%	137%	106%	1%	78%	32%	-22%	-1%	-28%	-7%	-35%	-4%	-24%	-1%	-18%	1%	-3%	-7%	-23%	-8%
EPS Diluted (pro forma)	16%	16%	6%	1%	-6%	2%	-19%	-21%	-30%	-15%	-28%	-22%	-22%	-26%	-25%	-3%	-7%	-13%	-32%	-14%

Source: Company reports and Ascendant Capital Markets estimates.

**Lucid Diagnostics Inc.**

Balance Sheet (\$ mils)	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Assets</b>																
Cash and cash equivalents	47.9	32.7	26.9	22.5	39.5	32.6	24.1	18.9	24.9	16.8	6.9	(2.9)	(12.6)	(22.2)	(31.3)	(38.6)
Short term investments									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.1		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inventory								0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Deferred income taxes									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other	4.3	3.2	2.9	1.9	2.2	3.1	3.2	2.9	2.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Total current assets</b>	<b>52.3</b>	<b>35.9</b>	<b>29.8</b>	<b>24.4</b>	<b>41.7</b>	<b>35.7</b>	<b>27.3</b>	<b>22.1</b>	<b>28.1</b>	<b>18.1</b>	<b>8.2</b>	<b>(1.6)</b>	<b>(11.3)</b>	<b>(20.9)</b>	<b>(30.0)</b>	<b>(37.3)</b>
Property and equipment, net	1.1	1.3	1.5	1.6	1.5	1.4	1.3	1.3	1.3	1.3	1.5	1.5	1.5	1.5	1.5	1.5
Intangibles, net	5.7	4.5	4.0	3.4	2.9	2.4	1.9	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Deferred income tax									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	2.9	3.8	3.1	3.1	3.0	2.9	2.7	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total assets</b>	<b>62.1</b>	<b>45.4</b>	<b>38.4</b>	<b>32.5</b>	<b>49.1</b>	<b>42.5</b>	<b>33.2</b>	<b>27.3</b>	<b>30.8</b>	<b>20.9</b>	<b>11.1</b>	<b>1.3</b>	<b>(8.4)</b>	<b>(18.0)</b>	<b>(27.1)</b>	<b>(34.4)</b>
<b>Liabilities and stockholders' equity</b>																
Accounts payable	4.5	2.4	1.1	1.1	0.6	0.6	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Accrued expenses	2.2	1.2	1.1	1.4	2.2	2.6	3.3	3.8	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Deferred income tax									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	5.7	1.8	0.9	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Due to PAVmed Inc.	1.8	2.4	6.6	5.0	7.6	10.7	10.3	9.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
Short term debt					11.9	11.6	14.5	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
<b>Total current liabilities</b>	<b>14.1</b>	<b>7.9</b>	<b>9.7</b>	<b>8.4</b>	<b>23.4</b>	<b>26.7</b>	<b>30.2</b>	<b>29.4</b>	<b>24.5</b>	<b>24.5</b>	<b>24.5</b>	<b>24.5</b>	<b>24.5</b>	<b>24.5</b>	<b>24.5</b>	<b>24.5</b>
Deferred income taxes									0.0	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	0.0
Other long term liabilities	1.5	1.3	1.1	1.0	0.8	0.7	0.5	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Long term debt									18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
<b>Total other liabilities</b>	<b>1.5</b>	<b>1.3</b>	<b>1.1</b>	<b>1.0</b>	<b>0.8</b>	<b>0.7</b>	<b>0.5</b>	<b>0.2</b>	<b>18.2</b>	<b>18.2</b>	<b>18.2</b>	<b>18.2</b>	<b>18.2</b>	<b>18.2</b>	<b>18.2</b>	<b>18.2</b>
Preferred stock					13.6	13.6	13.6	18.6	18.6	18.6	18.6	18.6	18.6	18.6	18.6	18.6
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	2.0	2.9	3.9	4.9	5.8	6.8	7.7
Additional paid-in capital	100.6	105.0	110.6	121.1	125.6	127.1	128.8	129.8	129.8	129.8	129.8	129.8	129.8	129.8	129.8	129.8
Retained earnings	(54.2)	(68.8)	(83.1)	(98.1)	(114.3)	(125.7)	(139.9)	(150.7)	(161.3)	(172.2)	(183.0)	(193.7)	(204.4)	(215.0)	(225.0)	(233.3)
Accumulated other comprehensive income									0.0	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	0.0
<b>Total stockholders' equity</b>	<b>46.5</b>	<b>36.2</b>	<b>27.5</b>	<b>23.0</b>	<b>24.9</b>	<b>15.1</b>	<b>2.6</b>	<b>(2.3)</b>	<b>(11.9)</b>	<b>(21.8)</b>	<b>(31.7)</b>	<b>(41.4)</b>	<b>(51.1)</b>	<b>(60.8)</b>	<b>(69.8)</b>	<b>(77.1)</b>
<b>Total stockholders' equity and liabil</b>	<b>62.1</b>	<b>45.4</b>	<b>38.4</b>	<b>32.5</b>	<b>49.1</b>	<b>42.5</b>	<b>33.2</b>	<b>27.3</b>	<b>30.8</b>	<b>20.9</b>	<b>11.1</b>	<b>1.3</b>	<b>(8.4)</b>	<b>(18.0)</b>	<b>(27.1)</b>	<b>(34.4)</b>

**Balance Sheet Drivers**

	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Book &amp; Cash Value (per share)</b>																
Book Value per Share (diluted)	1.32	1.01	0.76	0.72	0.61	0.36	0.06	(0.05)	(0.25)	(0.45)	(0.64)	(0.83)	(1.02)	(1.20)	(1.36)	(1.49)
Cash per Share (diluted)	1.36	0.91	0.74	0.70	0.96	0.78	0.57	0.45	0.52	0.35	0.14	(0.06)	(0.25)	(0.44)	(0.61)	(0.75)
Net cash per Share (diluted)	1.36	0.91	0.74	0.70	0.67	0.50	0.23	0.12	(0.15)	(0.31)	(0.51)	(0.70)	(0.89)	(1.07)	(1.24)	(1.36)

Source: Company reports and Ascendant Capital Markets estimates

**Lucid Diagnostics Inc.**

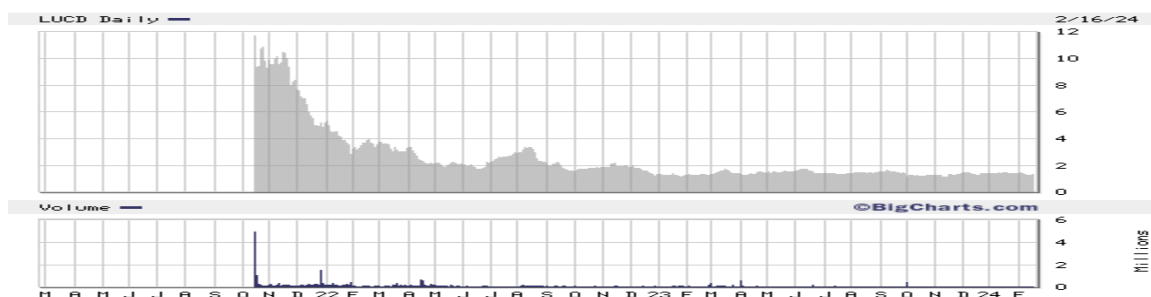
Cash Flow Statement (\$ mils)	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
<b>Cash flow from operating activities</b>																					
Net income	(12.3)	(14.6)	(14.3)	(14.9)	(56.2)	(16.2)	(11.4)	(14.2)	(10.8)	(52.7)	(10.6)	(10.9)	(10.8)	(10.7)	(43.0)	(10.7)	(10.6)	(10.0)	(8.3)	(39.6)	
Depreciation	0.0	0.7	0.6	0.6	1.9	0.6	0.6	0.6	0.6	2.5	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.1	0.1	0.4	
Amortization					0.0					0.0					0.0					0.0	
Debt related amortization expense					0.0	1.2	(1.2)	0.0		0.0					0.0					0.0	
Stock comp	3.8	4.1	3.8	3.3	15.0	3.2	1.4	1.2	1.0	6.8	1.0	1.0	1.0	1.0	3.9	1.0	1.0	1.0	1.0	3.9	
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	0.0	
Change in fair value of warrant I	0.2	(0.2)		0.7	0.7	0.8	(0.3)	3.0	(0.5)	3.0					0.0					0.0	
Writedowns and impairments					0.0					0.0					0.0					0.0	
Other gains/losses					0.0		1.1			1.1					0.0					0.0	
Other					0.0	0.7		0.0	0.0	0.8					0.0					0.0	
Changes in operating assets and liabilities:																					
Accounts receivable	0.1	0.1	(0.0)	0.0	0.2	(0.0)	(0.0)	0.0	(0.0)	(0.0)					0.0					0.0	
Prepaid expenses & other curre	0.2	(0.9)	0.9	1.0	1.2	(0.3)	(0.8)	(0.1)	0.1	(1.2)	0.0	1.9	0.0	0.0	1.9	0.0	0.0	0.0	0.0	0.0	
Other assets					0.0					0.0	2.4	0.0	0.0	0.0	2.4	0.0	0.0	0.0	0.0	0.0	
Accounts payable	2.0	(1.0)	(1.3)	(0.1)	(0.4)	(0.4)	0.0	0.4	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Accrued expenses	0.1	0.0	(0.1)	0.3	0.3	0.7	0.5	0.7	0.5	2.4	(0.8)	0.0	0.0	0.0	(0.8)	0.0	0.0	0.0	0.0	0.0	
Due to PAVmed	0.1	(1.4)	4.2	4.8	7.7	2.7	3.1	(0.4)	(0.9)	4.4					0.0					0.0	
Other liabilities					0.0					0.0	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>(5.8)</b>	<b>(13.3)</b>	<b>(6.3)</b>	<b>(4.3)</b>	<b>(29.7)</b>	<b>(7.0)</b>	<b>(7.0)</b>	<b>(8.8)</b>	<b>(10.0)</b>	<b>(32.8)</b>	<b>(7.9)</b>	<b>(8.0)</b>	<b>(9.7)</b>	<b>(9.7)</b>	<b>(35.3)</b>	<b>(9.6)</b>	<b>(9.5)</b>	<b>(9.0)</b>	<b>(7.2)</b>	<b>(35.3)</b>	
<b>Cash flow from investing activities</b>																					
Purchases of property and equij	(0.1)	(0.2)	(0.3)	(0.2)	(0.9)	(0.0)	(0.0)	(0.0)	(0.2)	(0.2)	(0.1)	(0.1)	(0.2)	(0.1)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	
Purchases of short-term investments					0.0					0.0					0.0					0.0	
Acquisitions		(2.2)	(1.0)		(3.2)					0.0					0.0					0.0	
Other					0.0					0.0					0.0					0.0	
<b>Net cash used in investing acti</b>	<b>(0.1)</b>	<b>(2.4)</b>	<b>(1.3)</b>	<b>(0.2)</b>	<b>(4.1)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(0.5)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.4)</b>	
<b>Cash flow from financing activities</b>																					
Issuance of debt					0.0	9.9	0.1		0.0	10.0	18.0	0.0	0.0	0.0	18.0	0.0	0.0	0.0	0.0	0.0	
Repayment of debt					0.0					0.0					0.0					0.0	
Issuance of stock				1.8	1.8	13.9	(0.0)	(0.3)	5.3	18.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Proceeds from stock option exe	0.2	0.5	0.1	0.0	0.8	0.3		0.6	(0.3)	0.6					0.0					0.0	
Other					0.0					0.0					0.0					0.0	
Dividends and distributions					0.0					0.0	(4.0)				(4.0)					0.0	
<b>Cash provided by (used in) fina</b>	<b>0.2</b>	<b>0.5</b>	<b>1.9</b>	<b>0.0</b>	<b>2.6</b>	<b>24.1</b>	<b>0.1</b>	<b>0.3</b>	<b>5.0</b>	<b>29.5</b>	<b>14.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>14.0</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>(5.7)</b>	<b>(15.2)</b>	<b>(5.7)</b>	<b>(4.5)</b>	<b>(31.2)</b>	<b>17.0</b>	<b>(7.0)</b>	<b>(8.5)</b>	<b>(5.2)</b>	<b>(3.6)</b>	<b>6.0</b>	<b>(8.1)</b>	<b>(10.0)</b>	<b>(9.8)</b>	<b>(21.8)</b>	<b>(9.7)</b>	<b>(9.6)</b>	<b>(9.1)</b>	<b>(7.3)</b>	<b>(35.7)</b>	
<b>Beginning cash and equivalents</b>	<b>53.7</b>	<b>47.9</b>	<b>32.7</b>	<b>26.9</b>	<b>53.7</b>	<b>22.5</b>	<b>39.5</b>	<b>32.6</b>	<b>24.1</b>	<b>22.5</b>	<b>18.9</b>	<b>24.9</b>	<b>16.8</b>	<b>6.9</b>	<b>18.9</b>	<b>(2.9)</b>	<b>(12.6)</b>	<b>(22.2)</b>	<b>(31.3)</b>	<b>(2.9)</b>	
<b>Ending cash and equivalents</b>	<b>47.9</b>	<b>32.7</b>	<b>26.9</b>	<b>22.5</b>	<b>22.5</b>	<b>39.5</b>	<b>32.6</b>	<b>24.1</b>	<b>18.9</b>	<b>18.9</b>	<b>24.9</b>	<b>16.8</b>	<b>6.9</b>	<b>(2.9)</b>	<b>(2.9)</b>	<b>(12.6)</b>	<b>(22.2)</b>	<b>(31.3)</b>	<b>(38.6)</b>	<b>(38.6)</b>	

Source: Company reports and Ascendant Capital Markets estimates

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## Lucid Diagnostics Inc.



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

	Report Date		Price
Report	Date	Rating	Target
1	12/26/2021	Buy	16.00
2	4/16/2022	Buy	15.00
3	6/6/2022	Buy	13.00
4	9/14/2022	Buy	12.00
5	11/22/2022	Buy	11.00
6	4/8/2023	Buy	10.00
7	5/26/2023	Buy	9.50
8	9/5/2023	Buy	9.00
9	12/8/2023	Buy	8.50

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**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 Distribution of Investment Ratings (as of January 15, 2024)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	52	98%	20	38%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	53	100%	20	38%

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