



Nasdaq: LUCD

# **EsoGuard Esophageal Precancer Testing:** *A Breakthrough in Cancer Prevention*

*March 20, 2024*

**Lishan Aklog MD**  
*Chairman & CEO*



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**Commercial-stage Cancer Prevention Medical Diagnostics Company**  
*Focused on Early Precancer Detection*

**MISSION: Prevent Esophageal Cancer Deaths in At-risk Patients**



**EsoGuard**  
esophageal DNA test



**EsoCheck**  
cell collection device

**High margin asset with massive market opportunity**

**Well-honed multi-pronged commercial strategy**

**Operationally excellent multidisciplinary field and laboratory team**

**World-class leadership team, board and advisors**



**EsoGuard**  
esophageal DNA test



**EsoCheck**  
cell collection device



## Capitalization

	LUCD Common Stock		48.2M
		<i>Conversion</i>	
		<u><i>Price</i></u>	
<b>OUTSTANDING SECURITIES</b>	Options	\$1.74 (avg.)	8.4M
	Series B Preferred Stock 44,285 shares	\$1.24	35.6M
	Secured Convertible Debt	\$5.00	2.2M
	Total		94.4M
<b>MARKET CAPITALIZATION</b>	Undiluted		\$51M
	Fully diluted (Mar 25, 2024; \$1.06/shr)		\$100M
	Cash 4Q23 ProForma (incl Mar'24 Series B Preferred per above)		\$36.3M
	Avg Quarterly Burn Rate thru 4Q23		\$8.2M



**Lucid**  
diagnostics

**Nasdaq: LUCD**

## **Investment Thesis**

- **First and only commercially available product** addressing large unmet clinical need to prevent esophageal cancer deaths through early precancer detection in well-defined target population as recommended by society guidelines
- **~\$60B total addressable market (TAM)** with established test pricing and high margins
- **Unprecedented diagnostic performance**, particularly for early precancer detection
- **Growing test volume and near-term reimbursement inflection points**, with line of sight to CMS and commercial coverage
- **Large additional revenue opportunity through direct contracting**, offering test as covered health and wellness benefit

# The Deadly Three



**Pancreatic**

## 5-Year Cancer Survival

Overall

Early  
Stage

13%

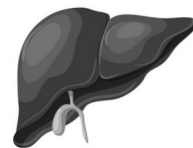
44%



**Esophageal**

22%

49%



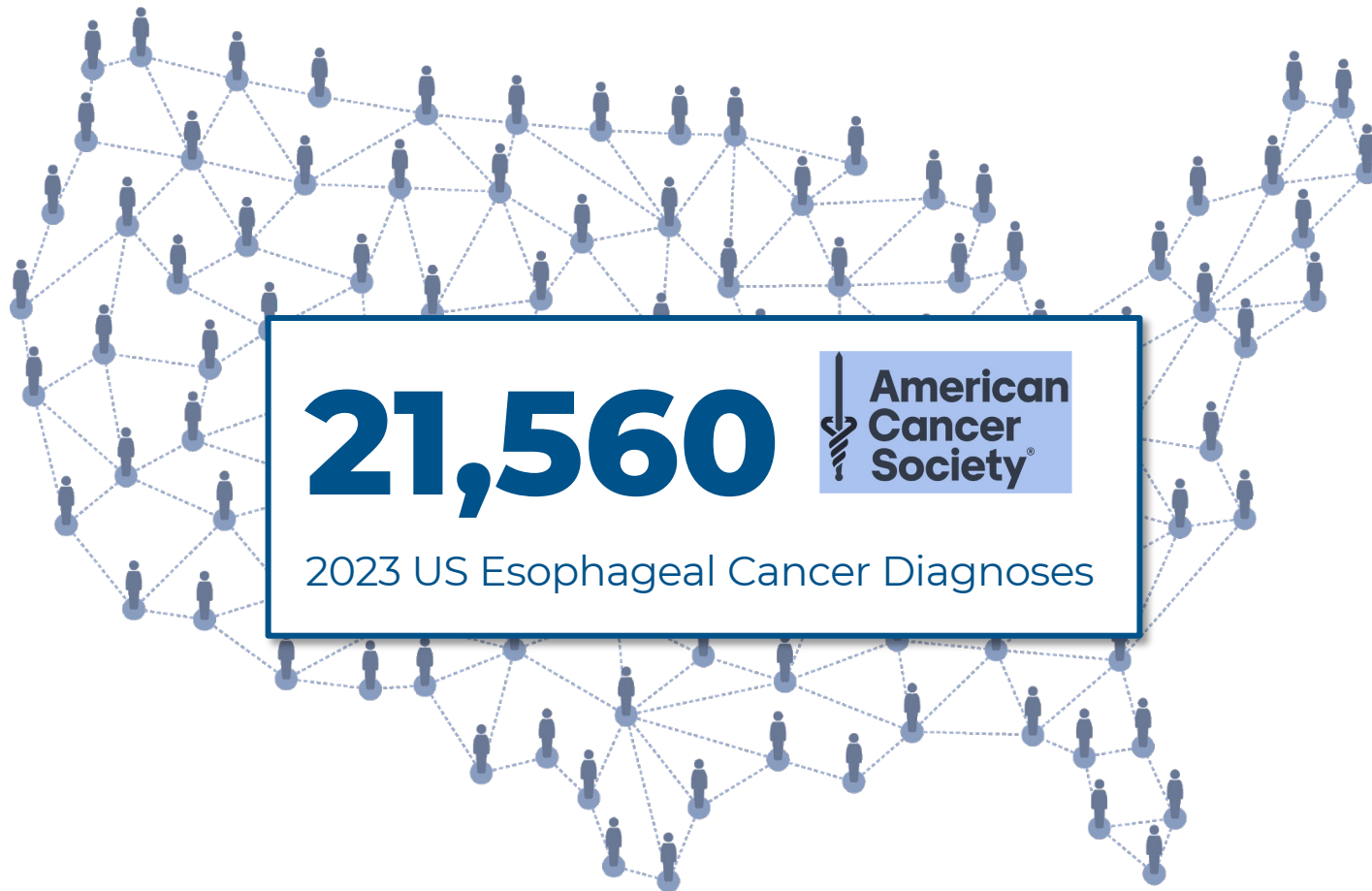
**Liver**

22%

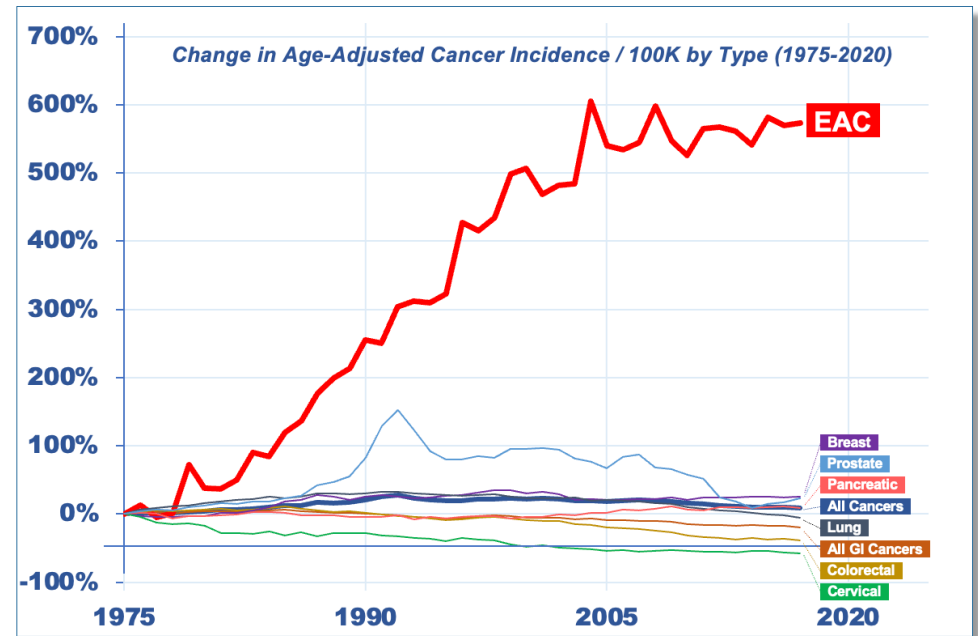
37%

**Esophageal PRECANCER can now be detected**

# Esophageal Cancer – A Ruthless Killer



Over **500%** Incidence Increase Since 1975





# Esophageal Cancer

CAN be...

**PREVENTED**

# EsoGuard<sup>®</sup> Esophageal DNA Test



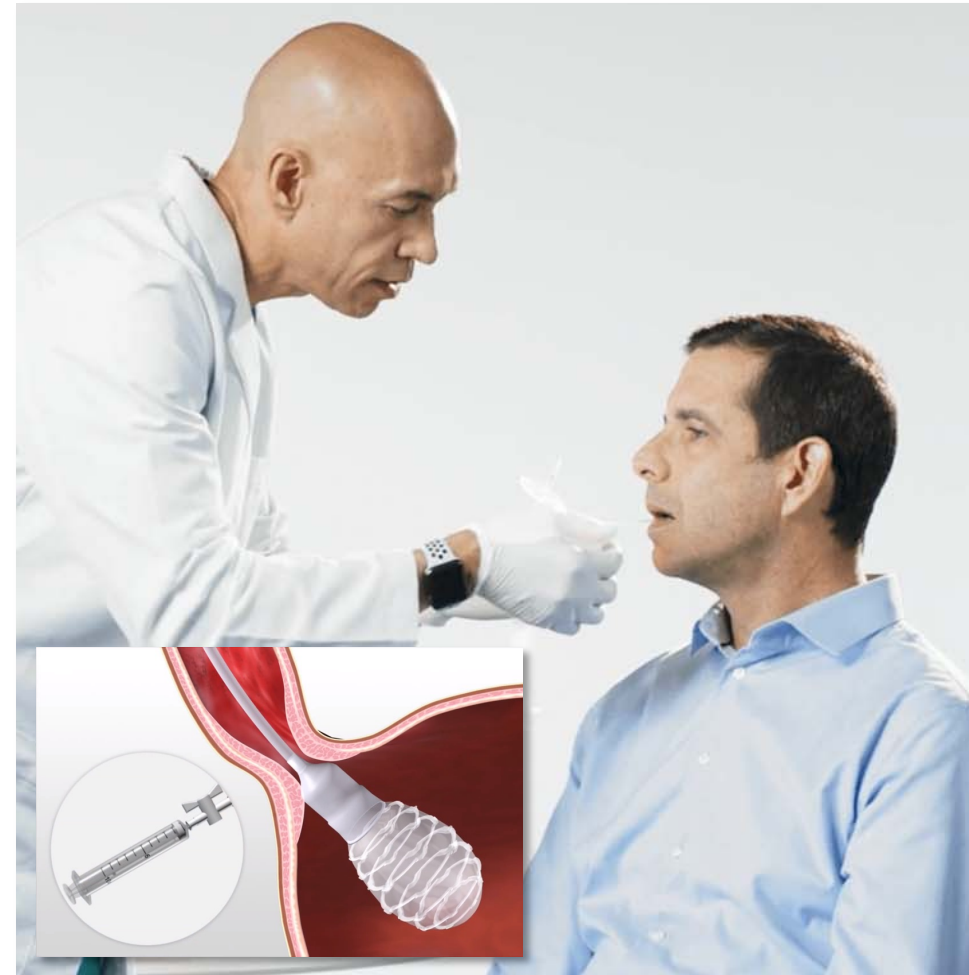
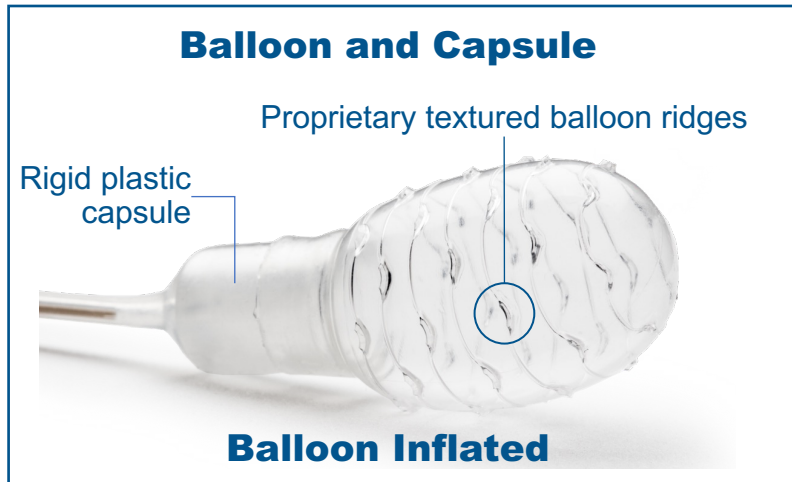
**EsoGuard**  
esophageal DNA test

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

# EsoCheck<sup>®</sup> Esophageal Cell Collection



**EsoCheck**   
cell collection device 510K Cleared

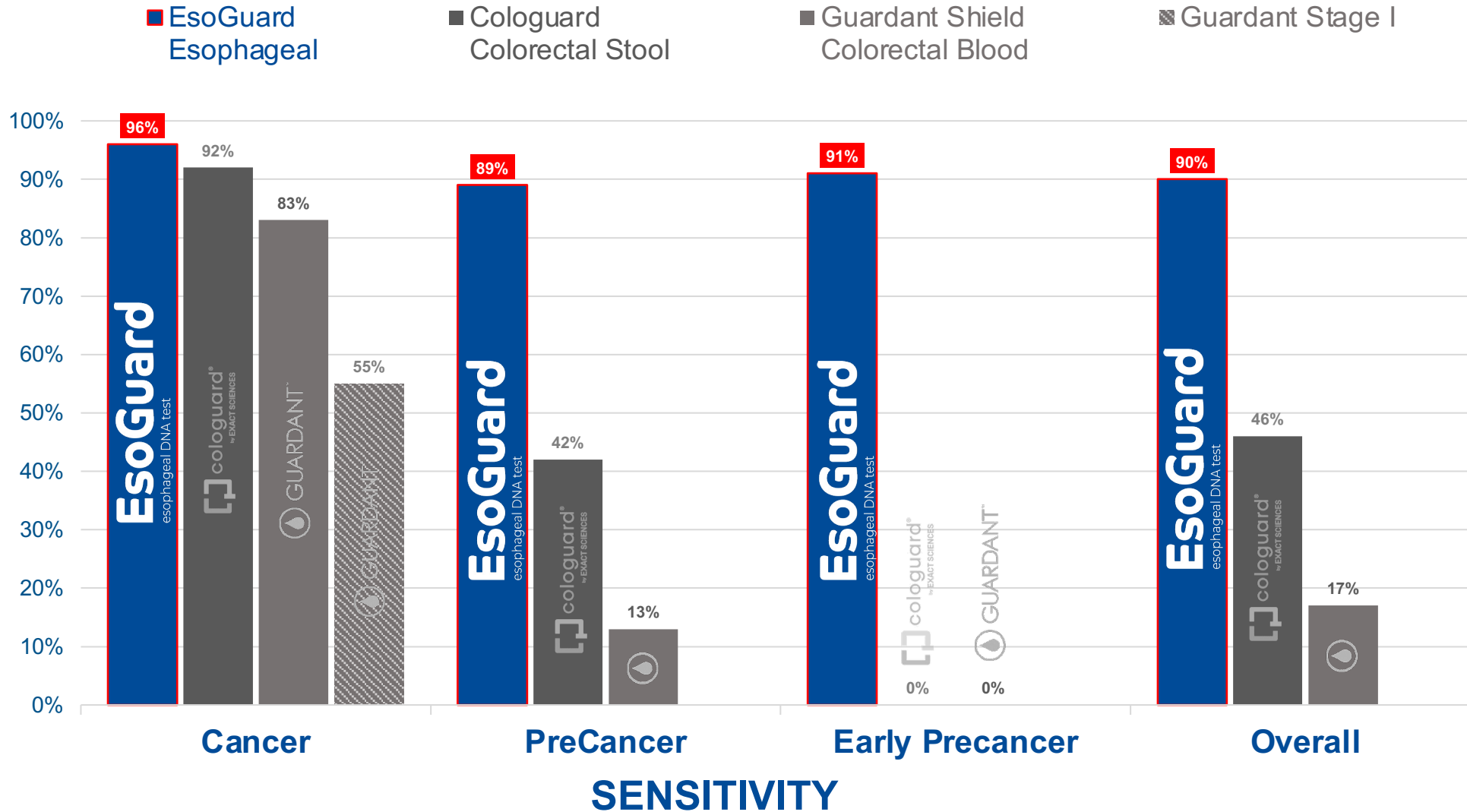


# EsoGuard Esophageal Precancer Testing



# EsoGuard Performance

*Vs. Comparable Early Detection Tests*



**Estimated Overall Negative Predictive Value (NPV): ~99%**

**Estimated Positive Predictive Value (PPV): ~30%**

# Clinical Validity Studies

Study	Design	Funded By	Study Status
<b>Case Western STM</b>	Prospective, multi-center Case-Control	NCI	Published
<b>BETRNet</b>	Prospective, multi-center Case-Control	NCI	On pre-print, pending peer review and publication
<b>Cleveland VA</b>	Prospective, single-center Screening population	DOD	On pre-print, pending peer review and publication
<b>BE101</b>	Prospective, multi-center Screening population	Lucid	Data analysis complete, manuscript being prepared
<b>BE102</b>	Prospective, multi-center Screening population	Lucid	Recruiting ongoing

# Clinical Utility Studies

Study	Design	Study Status
<b>SAFD Screening Study</b>	Retrospective analysis of prospectively collected data	Full data published
<b>CLUE</b>	Prospective, multi-center, observational	Interim data published Follow-up phase
<b>PREVENT Registries</b>	Prospective, multi-center, observational	Interim data published Will continue recruiting
<b>ASBE</b>	Prospective, virtual patient RCT	Publication expected 1H24 Recruitment ongoing

# Esophageal Precancer Testing Recommended



## 3 of 7 Risk Factors



5-Year History  
or Severe  
Symptoms

50+

Age Over  
50



Male  
Gender



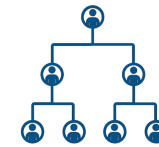
White  
Race



Central  
Obesity



Smoker



Family  
History of  
BE-EAC



# 30 Million

*At-Risk Patients Recommended  
for Precancer Testing*

# \$1,938

*Medicare Payment*

# ~\$60 Billion

*Total Addressable Market Opportunity*

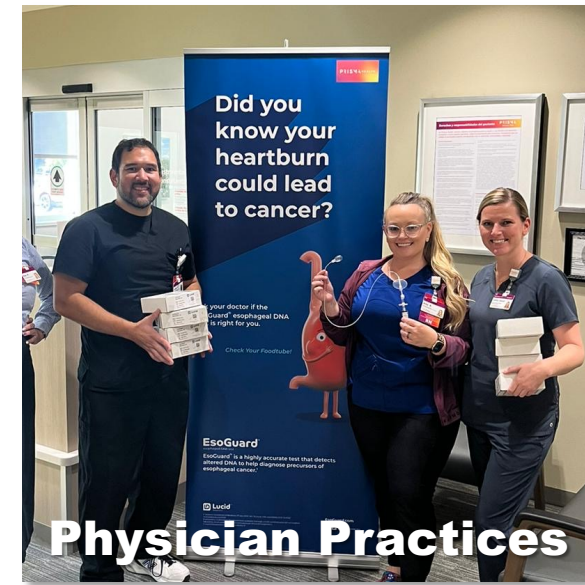
# ~90 Percent

*Gross Margin*

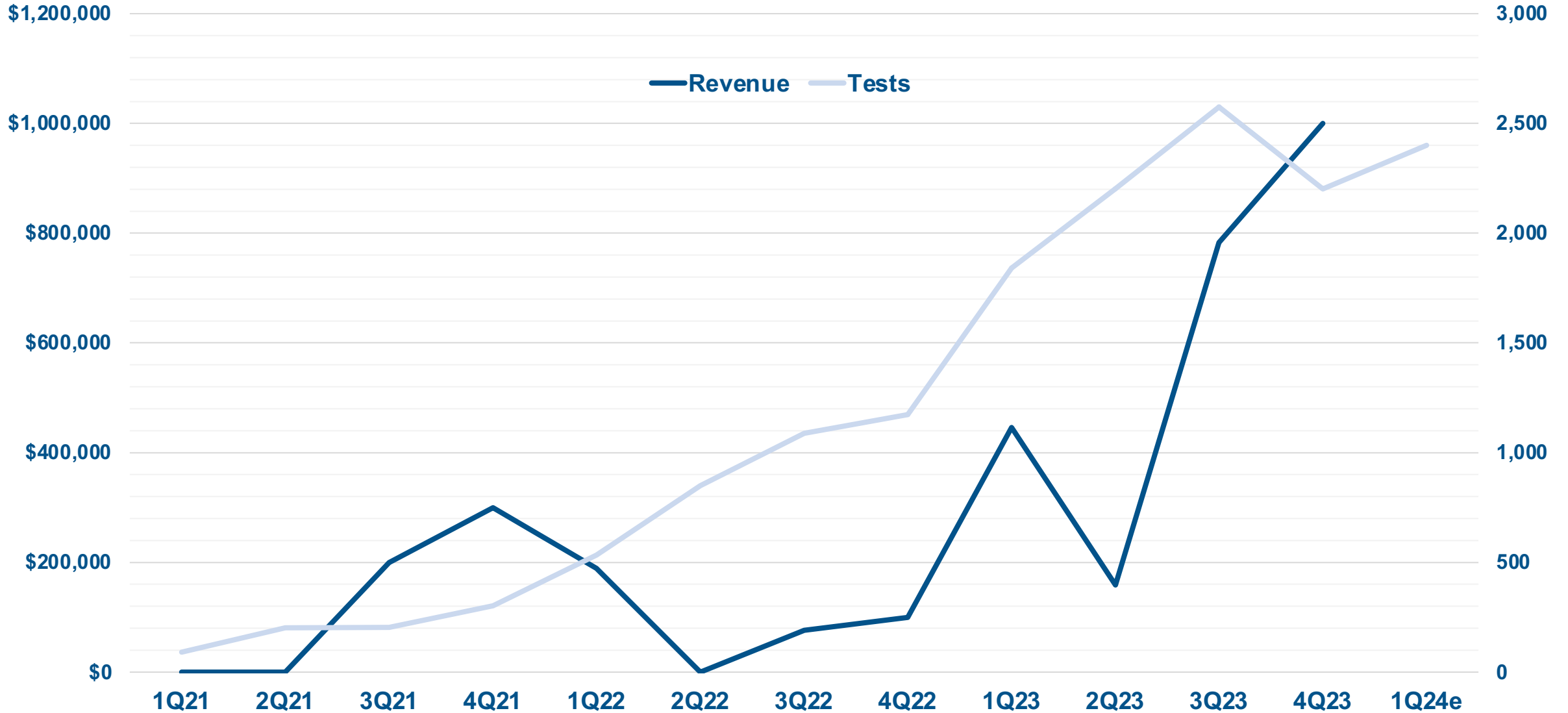


**EsoGuard**  
esophageal DNA test

# Multi-Pronged Commercial Strategy



# EsoGuard Revenue & Test Volume



# Commercial Execution

## ■ CYFT Precancer Detection Events

- Steady growth, strong pipeline, fully booked through July
- Expanding to testing at targeted conferences and symposia
- Increased efficiency and capacity utilizing telehealth partner
- Now initiating contracting discussions in parallel with planning for inaugural #CYFT event, leaders strongly motivated to engage

## ■ Strategic Accounts

- Active testing at over a dozen strategic accounts including health systems, academic medical centers, several dozen in pipeline

## ■ Direct Contracting

- EsoGuard as a covered benefit within health and wellness programs



# Direct Contracting

EsoGuard offered as covered benefit to drive contractually-guaranteed revenues

**Benefits Brokers &  
Third-Party  
Administrators**

**Self-Insured  
Entities**  
*Employers  
Unions*

**Other Partners**  
*9/11 Fund  
Residential Communities*

**Direct Ongoing Contract** – Charge per patient tested

**Benefit Plan Amendment** – Charge for lifetime benefit per member

**Service Agreement** – Charge for full or half-day screening event

# Claims, Payments, Coverage

## ■ Revenue Cycle Management

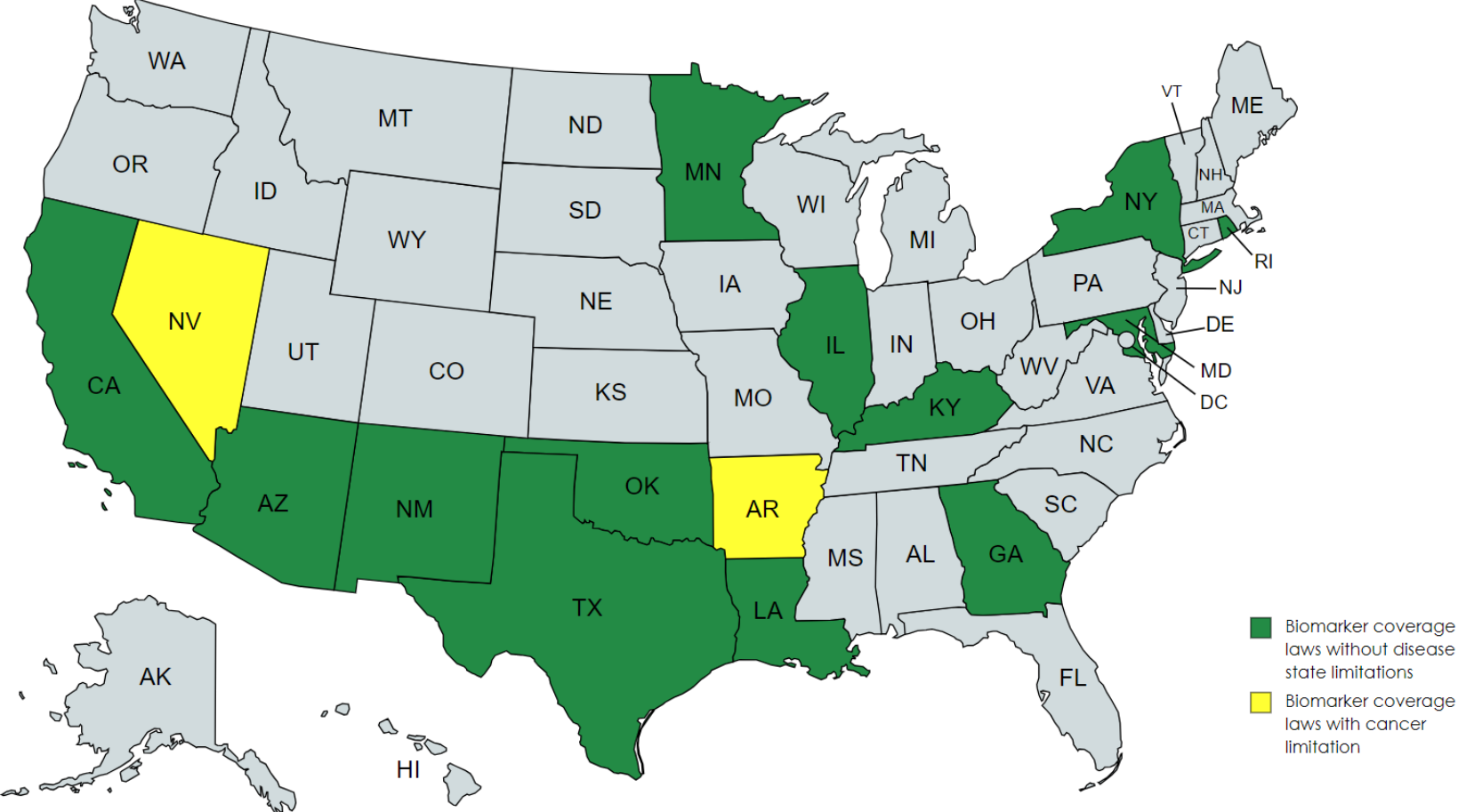
- Submitted claims representing ~\$20M in pro forma revenue since June
- **>80%** of adjudicated, **~50%** of adjudicated allowed
- Average Allowed Payment **~\$1,800**
- **Appeals** process yielding wins, strengthening/optimizing processes including leveraging providers, developing prior authorization program



## ■ Medical Policy Coverage

- Held meetings with medical directors of major **commercial payors** to formally request positive medical policy determinations for EsoGuard based on clinical validity and utility data
- Participated in **Blue Cross Blue Shield Association of America** webinar with dozens of medical directors in attendance
- Targeting MoDx re-engagement next quarter following publication of key CV study, now have line of sight to Medicare coverage
- **Biomarker legislation** in over a dozen states provides opportunity for mandatory commercial coverage and targeting of resources

# State Biomarker Legislation



# Lucid Accomplishments and Near-Term Goals

## COMMERCIAL

- ✓ **Sales And Marketing Processes** Reproducible, high physician adoption yield
- ✓ **Patient Acquisition Strategy** Multipronged (LTC, sLTC, mLTC, health fairs)
- ✓ **Cell Collection Strategy** Optimized training and execution (99% technical success)

## LABORATORY

- ✓ **CLIA/CAP Laboratory** State-the-art Next Gen Sequencing (NGS) facility
- ✓ **EsoGuard Assay Efficiency** High DNA yield (95% sufficient) and Low turnaround time
- ✓ **Target Gross Margin** Assay and device COGs optimized to achieve 90% GM



# Lucid Accomplishments and Near-Term Goals

**Clinical Validity**

**Clinical Utility**

**Revenue Cycle Management**

**Market Access Team**

**Medical Policy Coverage**

**Direct Contracting**

## CLINICAL EVIDENCE

4 published or preprint manuscripts unprecedented precancer detection results

3 published studies with near-perfect concordance

## REIMBURSEMENT

Claims processing optimized with stable out-of-network pricing near \$1938 CMS price and improving payment rates

Strengthened team with new VP, Market Access and VP, Employer Markets

Active engagements with payors secure commercial and CMS coverage, MoIDx foundational LCD final and effective

Launched major initiative to offer EsoGuard as a covered health and well benefit



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