REFINITIV

DELTA REPORT

10-Q

LUCID DIAGNOSTICS INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1166
CHANGES	206
DELETIONS	500
ADDITIONS	460

REFINITIV

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, March 31, 2023 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-40901

LUCID DIAGNOSTICS INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**82-5488042**
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification No.)
360 Madison Avenue	
25th Floor	
New York, NY	**10017**
(Address of Principal Executive Offices)	(Zip Code)

(917) 813-1828
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each Class	Trading Symbol(s)	Name of each Exchange on which Registered
Common Stock, $0.001 par value per share	LUCD	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer" , "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated filer	☐	Accelerated filed	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to section 13(c) of the Exchange Act ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No No ☒ ☒

As of November 9, 2023 March 31, 2024 and May 9, 2024 there were 44,667,304 49,044,502 and 52,114,353, respectively, shares of the registrant's Common Stock, par value $0.001 per share, issued and outstanding (with such number of shares inclusive of shares of common stock underlying unvested restricted stock awards granted under the Lucid Diagnostics Inc. 2018 Long-Term Incentive Equity Plan as of such date).

TABLE OF CONTENTS

		Page
	Part I - Financial Information	Page
Item 1.	Financial Statements	
	Condensed Consolidated Balance Sheets (unaudited) as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023	1
	Condensed Consolidated Statements of Operations (unaudited) for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023	2
	Condensed Consolidated Statements of Changes in Stockholders' Equity (Deficit) (unaudited) for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023	3
	Condensed Consolidated Statements of Cash Flows (unaudited) for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023	5 4
	Notes to Unaudited Condensed Consolidated Financial Statements	6 5
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	21 20
Item 4.	Controls and Procedures	29 28
	Part II - Other Information	
Item 1.	Legal Proceedings	30 29
Item 5.	Other Information	30 29
Item 6.	Exhibits	30 29
	Signature	31 30
	Exhibit Index	32 31

Part I - Financial Information

Item 1. Financial Statements

LUCID DIAGNOSTICS INC.
and SUBSIDIARIES
(a majority-owned subsidiary of PAVmed Inc.)
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands except number of shares and per share data - unaudited)

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Assets:				
Current assets:				
Cash	$ 24,050	$ 22,474	$ 24,769	$ 18,896
Accounts receivable	21	17	49	45
Inventory			410	278
Prepaid expenses, deposits, and other current assets	3,232	1,865	2,355	2,854
Total current assets	27,303	24,356	27,583	22,073
Fixed assets, net	1,284	1,592	1,242	1,334
Operating lease right-of-use assets	1,594	2,008	1,039	1,307
Intangible assets, net	1,929	3,445	1,052	1,424
Other assets	1,134	1,108	1,132	1,132
Total assets	$ 33,244	$ 32,509	$ 32,048	$ 27,270
Liabilities, Preferred Stock and Stockholders' Equity				
Liabilities, Preferred Stock and Stockholders' Equity (Deficit)				
Current liabilities:				
Accounts payable	$ 994	$ 1,056	$ 969	$ 1,146
Accrued expenses and other current liabilities	3,326	1,447	3,136	3,841
Operating lease liabilities, current portion	1,128	962	861	1,106
Senior Secured Convertible Note - at fair value	14,490	—	13,140	13,950
Due To: PAVmed Inc. - MSA Fee and operating expenses	10,286	4,960	1,871	9,339
Total current liabilities	30,224	8,425	19,977	29,382
Operating lease liabilities, less current portion	464	1,037	177	199
Total liabilities	30,688	9,462	20,154	29,581
Commitments and contingencies				
Stockholders' Equity:				
Preferred stock, $0.001 par value, 20,000,000 shares authorized; Series A Convertible Preferred Stock, issued and outstanding 13,625 at September 30, 2023 and no shares issued and outstanding at December 31, 2022	13,625	—		
Common stock, $0.001 par value, 200,000,000 shares authorized; 42,329,864 and 40,518,792 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively	42	41		
Preferred stock, $0.001 par value, 20,000,000 shares authorized; Series B Convertible Preferred Stock, issued and outstanding 44,285 at March 31, 2024 and Series A and Series A-1 Convertible Preferred Stock, shares issued and outstanding 18,625 at December 31, 2023			44,285	18,625
Common stock, $0.001 par value, 200,000,000 shares authorized; 46,747,062 and 42,329,864 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively			47	42
Additional paid-in capital	128,800	121,081	136,411	129,763
Accumulated deficit	(139,911)	(98,075)	(168,849)	(150,741)
Total Stockholders' Equity	2,556	23,047		
Total Liabilities and Stockholders' Equity	$ 33,244	$ 32,509		
Total Stockholders' Equity (Deficit)			11,894	(2,311)
Total Liabilities and Stockholders' Equity (Deficit)			$ 32,048	$ 27,270

See accompanying notes to the unaudited condensed consolidated financial statements.

LUCID DIAGNOSTICS INC.
and SUBSIDIARIES
(a majority-owned subsidiary of PAVmed Inc.)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands except number of shares and per share data - unaudited)

	2023	2022	2023	2022		
	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Revenue	$ 783	$ 76	$ 1,388	$ 265	$ 1,001	$ 446
Operating expenses:						
Cost of revenue	1,634	1,626	4,522	1,996	1,656	1,338
Sales and marketing	3,837	3,930	11,996	11,121	4,194	4,127
General and administrative	4,320	5,688	15,049	18,465	4,070	6,900
Amortization of acquired intangible assets	505	505	1,516	1,144	372	505
Research and development	1,615	2,704	5,334	8,815	1,501	1,893
Total operating expenses	11,911	14,453	38,417	41,541	11,793	14,763
Operating loss	(11,128)	(14,377)	(37,029)	(41,276)	(10,792)	(14,317)
Other income (expense):						
Interest income	116	28	330	33	68	78
Interest expense	(149)	—	(405)	—	(12)	(33)
Change in fair value - Senior Secured Convertible Note	(3,021)	—	(3,520)	—	291	(789)
Loss on issue and offering costs - Senior Secured Convertible Note	—	—	(1,186)	—	—	(1,186)
Debt extinguishments loss - Senior Secured Convertible Note	(26)	—	(26)	—	(167)	—
Other income (expense), net	(3,080)	28	(4,807)	33	180	(1,930)
Loss before provision for income tax	(14,208)	(14,349)	(41,836)	(41,243)	(10,612)	(16,247)
Provision for income taxes	—	—	—	—	—	—
Net loss	$ (14,208)	$ (14,349)	$ (41,836)	$ (41,243)		
Net loss per share - basic and diluted	$ (0.34)	$ (0.39)	$ (1.01)	$ (1.15)		
Net loss attributable to Lucid Diagnostics Inc.					$ (10,612)	$ (16,247)
Less: Deemed dividend on Series A and Series A-1 Convertible Preferred Stock					(7,496)	—
Net loss attributable to Lucid Diagnostics Inc. common stockholders					$ (18,108)	$ (16,247)
Net loss per share attributable to Lucid Diagnostics Inc. common stockholders - basic and diluted					$ (0.40)	$ (0.40)
Weighted average common shares outstanding, basic and diluted	41,862,805	36,405,945	41,558,979	35,767,857	45,014,410	40,970,504

See accompanying notes to the unaudited condensed consolidated financial statements.

LUCID DIAGNOSTICS INC.
and SUBSIDIARIES
(a majority-owned subsidiary of PAVmed Inc.)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
for the THREE AND NINE MONTHS ENDED September 30, 2023
(in thousands except number of shares and per share data - unaudited)

	Preferred Stock		Common Stock		Additional Paid-In	Accumulated	
	Shares	**Amount**	**Shares**	**Amount**	**Capital**	**Deficit**	**Total**
Balance as of June 30, 2023	13,625	13,625	41,853,603	$ 42	$ 127,107	$ (125,703)	$ 15,071
Stock-based compensation - Lucid Diagnostics Inc. 2018 Equity Plan	—	—	—	—	1,032	—	1,032
Stock-based compensation - PAVmed Inc. 2014 Equity Plan	—	—	—	—	220	—	220
Vest - restricted stock awards	—	—	84,660	—	—	—	—
Conversions - Senior Secured Convertible Note	—	—	115,388	—	166	—	166
Purchase - Employee Stock Purchase Plan	—	—	276,213	—	275	—	275
Net loss	—	—	—	—	—	(14,208)	(14,208)
Balance as of September 30, 2023	13,625	$ 13,625	42,329,864	$ 42	$ 128,800	$ (139,911)	$ 2,556

	Preferred Stock		Common Stock		Additional Paid-In	Accumulated	
	Shares	**Amount**	**Shares**	**Amount**	**Capital**	**Deficit**	**Total**
Balance as of December 31, 2022	—	$ —	40,518,792	$ 41	$ 121,081	$ (98,075)	$ 23,047
Stock-based compensation - Lucid Diagnostics Inc. 2018 Equity Plan	—	—	—	—	5,014	—	5,014
Stock-based compensation - PAVmed Inc. 2014 Equity Plan	—	—	—	—	845	—	845
Vest - restricted stock awards	—	—	303,980	—	—	—	—
Conversions - Senior Secured Convertible Note	—	—	115,388	—	166	—	166
APA-RDx - Termination payment	—	—	553,436	—	713	—	713
Issuance - At-The-Market Facility, net of deferred financing charges	—	—	230,068	1	283	—	284
Purchase - Employee Stock Purchase Plan	—	—	508,200	—	551	—	551
Issuance - Series A Preferred Stock	13,625	13,625	—	—	—	—	13,625
Issue common stock - vendor service agreement	—	—	100,000		147	—	147
Net loss	—	—	—	—	—	(41,836)	(41,836)
Balance as of September 30, 2023	13,625	$ 13,625	42,329,864	$ 42	$ 128,800	$ (139,911)	$ 2,556

LUCID DIAGNOSTICS INC.
and SUBSIDIARIES
(a majority-owned subsidiary of PAVmed Inc.)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
for the THREE AND NINE MONTHS ENDED September 30, 2022 March 31, 2024 and 2023
(in thousands except number of shares and per share data - unaudited)

	Common Stock		Additional Paid-In	Accumulated	
	Shares	Amount	Capital	Deficit	Total
Balance as of June 30, 2022	35,994,667	$ 36	$ 105,003	$ (68,798)	$ 36,241
Exercise - stock options - Lucid Diagnostics Inc. 2018 Equity Plan	5,327	—	6	—	6
Stock-based compensation - Lucid Diagnostics Inc.	—	—	3,280	—	3,280
Stock-based compensation - PAVmed Inc.	—	—	291	—	291
Vest - restricted stock awards	169,320	—	—	—	—
APA-RDx - Installment Payment	82,618	—	188	—	188
Issuance - Committed Equity Facility, net of deferred financing charges	680,263	1	1,766	—	1,767
Purchase - Employee Stock Purchase Plan	84,030	—	109	—	109
Net loss	—	—	—	(14,349)	(14,349)
Balance as of September 30, 2022	37,016,225	$ 37	$ 110,643	$ (83,147)	$ 27,533

	Preferred Stock		Common Stock		Additional Paid-In	Accumulated	
	Shares	Amount	Shares	Amount	Capital	Deficit	Total
Balance as of December 31, 2023	18,625	$ 18,625	42,329,864	$ 42	$ 129,763	$ (150,741)	$ (2,311)
Exercise - stock options - Lucid Diagnostics Inc. 2018 Equity Plan	—	—	3,333	—	4	—	4
Stock-based compensation - Lucid Diagnostics Inc. 2018 Equity Plan	—	—	—	—	744	—	744
Stock-based compensation - PAVmed Inc. 2014 Equity Plan	—	—	—	—	189	—	189
Vest - restricted stock awards	—	—	26,912	—	—	—	—
Conversions - Senior Secured Convertible Note	—	—	543,298	1	687	—	688
Purchase - Employee Stock Purchase Plan	—	—	511,884	1	352	—	353
Issuance - Series A-1 Preferred Stock	5,670	5,670	—	—	—	—	5,670
Exchange - Series A and Series A-1 Preferred Stock	(24,295)	(24,295)	—	—	—	(7,496)	(31,791)
Issuance - Series B Preferred Stock	44,285	44,285	—	—	—	—	44,285
Issuance - Due To: PAVmed Inc. Settlement in Common Stock	—	—	3,331,771	3	4,672	—	4,675
Net loss	—	—	—	—	—	(10,612)	(10,612)
Balance as of March 31, 2024	44,285	$ 44,285	46,747,062	$ 47	$ 136,411	$ (168,849)	$ 11,894

	Common Stock		Additional Paid-In	Accumulated		Preferred Stock		Common Stock		Additional Paid-In	Accumulated
	Shares	Amount	Capital	Deficit	Total	Shares	Amount	Shares	Amount	Capital	Deficit
Balance as of December 31, 2021	**34,917,907**	**$ 35**	**$ 96,608**	**$ (41,904)**	**$ 54,739**						
Balance as of December 31, 2022						**—**	**$ —**	**40,518,792**	**$ 41**	**$ 121,081**	**$ (98,075**
Balance	**34,917,907**	**$ 35**	**$ 96,608**	**$ (41,904)**	**$ 54,739**	**—**	**$ —**	**40,518,792**	**$ 41**	**$ 121,081**	**$ (98,075**
Exercise - stock options - Lucid Diagnostics Inc. 2018 Equity Plan	**964,716**	**1**	**693**	**—**	**694**						
Stock-based compensation - Lucid Diagnostics Inc. 2018 Equity Plan	**—**	**—**	**10,371**	**—**	**10,371**	**—**	**—**	**—**	**—**	**2,817**	**—**
Stock-based compensation - PAVmed Inc. 2014 Equity Plan	**—**	**—**	**880**	**—**	**880**	**—**	**—**	**—**	**—**	**391**	**—**

Vest - restricted stock awards	169,320	—	—	—	—	—	—	219,320	—	—	—
CapNostics, LLC	—	—	(211)	—	(211)						
APA-RDx - Installment Payment	199,989	—	427	—	427						
Issuance - Committed Equity Facility, net of deferred financing charges	680,263	1	1,766	—	1,767						
Issuance common stock - APA-RDx - Termination payment						—	—	553,436	—	713	—
Issuance - At-The-Market Facility, net of financing charges						—	—	230,068	1	283	—
Purchase - Employee Stock Purchase Plan	84,030	—	109	—	109	—	—	231,987	—	276	—
Issuance - Series A Preferred Stock						13,625	13,625	—	—	—	—
Net loss	—	—	—	(41,243)	(41,243)	—	—	—	—	—	(16,247
Balance as of September 30, 2022	37,016,225	$ 37	$ 110,643	$ (83,147)	$ 27,533						
Balance as of March 31, 2023						13,625	$ 13,625	41,753,603	$ 42	$ 125,561	$ (114,322
Balance	37,016,225	$ 37	$ 110,643	$ (83,147)	$ 27,533	13,625	$ 13,625	41,753,603	$ 42	$ 125,561	$ (114,322

See accompanying notes to the unaudited condensed consolidated financial statements.

LUCID DIAGNOSTICS INC.
and SUBSIDIARIES
(a majority-owned subsidiary of PAVmed Inc.)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands except number of shares and per share data - unaudited)

	Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2024	2023
Cash flows from operating activities				
Net loss	$ (41,836)	$ (41,243)	$ (10,612)	$ (16,247)
Adjustments to reconcile net loss to net cash used in operating activities				
Depreciation and amortization expense	1,870	1,321	501	612
Stock-based compensation - Lucid Diagnostics Inc. 2018 Equity Plan	5,014	10,371	743	2,817
Stock-based compensation - PAVmed Inc. 2014 Equity Plan	845	880	189	391
Change in fair value - Senior Secured Convertible Note	3,520	—	(291)	789
Loss on issue - Senior Secured Convertible Note	1,111	—	—	1,111
Debt extinguishment loss - Senior Secured Convertible Note	26	—	167	—
APA-RDx: Issue common stock - settle termination payment	713	427		
APA-RDx: Issue common stock - termination payment			—	713
Issue common stock - vendor service agreement	23	—	23	—
Changes in operating assets and liabilities:				
Accounts receivable	(4)	169	(4)	(10)
Prepaid expenses and other current assets	(1,262)	171	345	(275)
Accounts payable	(62)	(388)	(176)	(431)
Accrued expenses and other current liabilities	1,878	16	(704)	743
Due To: PAVmed Inc. - operating expenses, employee related costs, MSA Fee	5,326	2,849	(2,793)	2,667
Net cash flows used in operating activities	(22,838)	(25,427)	(12,612)	(7,120)
Cash flows from investing activities				
Purchase of equipment	(46)	(705)	(37)	(17)
Asset acquisition	—	(3,200)		
Net cash flows used in investing activities	(46)	(3,905)	(37)	(17)
Cash flows from financing activities				
Proceeds – issue of preferred stock	13,625	—	18,165	13,625
Proceeds – issue of Senior Convertible Note	10,000	—	—	10,000
Proceeds – issue of common stock – Committed Equity Facility	—	1,807		
Proceeds – issue of common stock – At-The-Market Facility	284	—	—	284
Proceeds – exercise of stock options	—	694	4	—
Proceeds – issue common stock – Employee Stock Purchase Plan	551	109	353	276
Net cash flows provided by financing activities	24,460	2,610	18,522	24,185
Net increase (decrease) in cash	1,576	(26,722)	5,873	17,048
Cash, beginning of period	22,474	53,656	18,896	22,474
Cash, end of period	$ 24,050	$ 26,934	$ 24,769	$ 39,522

See accompanying notes to the unaudited condensed consolidated financial statements.

LUCID DIAGNOSTICS INC.
and SUBSIDIARIES
(a majority-owned subsidiary of PAVmed Inc.)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(amounts in these accompanying notes are presented in thousands, except number of shares and per-share amounts.)

Note 1 —The Company

Description of the Business

Lucid Diagnostics Inc. ("Lucid", "Lucid Diagnostics" or the "Company") is a commercial-stage medical diagnostics technology company focused on the millions of patients with gastroesophageal reflux disease ("GERD"), also known as chronic heartburn, acid reflux or simply reflux, who are at risk of developing esophageal precancer and cancer, specifically highly lethal esophageal adenocarcinoma ("EAC"). Lucid is a majority-owned subsidiary of PAVmed Inc. ("PAVmed").

The Company believes that its flagship product, the EsoGuard Esophageal DNA Test, performed on samples collected with the EsoCheck Esophageal Cell Collection Device, constitutes the first and only commercially available diagnostic test capable of serving as a widespread testing tool for the early detection of esophageal precancer in at-risk GERD patients.. Early detection of esophageal precancer allows patients to undergo appropriate monitoring and treatment, as indicated by clinical practice guidelines, in an effort to prevent progression to esophageal cancer.

EsoGuard is a bisulfite-converted next-generation sequencing (NGS) DNA assay performed on surface esophageal cells collected with EsoCheck. Cell samples, including those collected with EsoCheck, as discussed below, are sent to our laboratory, for testing and analyses using our proprietary EsoGuard NGS DNA assay. EsoCheck.

EsoCheck is a FDA 510(k) and CE Mark cleared noninvasive swallowable balloon capsule catheter device capable of sampling surface esophageal cells in a less than a five-minute office procedure. It consists of a vitamin pill-sized rigid plastic capsule tethered to a thin silicone catheter from which a soft silicone balloon with textured ridges emerges, when inflated, to gently swab surface esophageal cells. When vacuum suction is applied, the balloon and sampled cells are pulled into the capsule, protecting them from contamination and dilution by cells outside of the targeted region during device withdrawal. The Company believes that this proprietary Collect+Protect™ technology makes EsoCheck the only noninvasive esophageal cell collection device capable of such anatomically targeted and protected sampling.

EsoGuard and EsoCheck are based on patented technology licensed by Lucid from Case Western Reserve University ("CWRU"). EsoGuard and EsoCheck have been developed to provide an accurate, non-invasive, patient-friendly test for the early detection of EAC and Barrett's Esophagus ("BE"), including dysplastic BE and related pre-cursors precursors to EAC in patients with chronic GERD.

***Note 2 — Liquidity* and Going Concern**

The Company's management is required to assess an entity's ability to continue as a going concern within one year of the date of the financial statements being issued. In each reporting period, including interim periods, an entity is required to assess conditions known and reasonably knowable as of the financial statement issuance date to determine whether it is probable an entity will not meet its financial obligations within one year from the financial statement issuance date. Substantial doubt about an entity's ability to continue as a going concern exists when conditions and events, considered in the aggregate, indicate it is probable the entity will be unable to meet its financial obligations as they become due within one year after the date the financial statements are issued.

The Company has financed its operations principally through public and private issuances of its common stock, preferred stock, and debt. The Company is subject to all of the risks and uncertainties typically faced by medical device and diagnostic companies that devote substantially all of their efforts to the commercialization of their initial product and services and ongoing research and development activities and conducting clinical trials. The Company expects generated $1.0 million of revenues for the three month period ended March 31, 2024, however the Company does not expect to generate positive cash flows from operating activities in the near future.

The Company incurred a net loss attributable to Lucid Diagnostics Inc common stockholders of approximately $18.1 million and had net cash flows used in operating activities of approximately $12.6 million for the three month period ended March 31, 2024. As of March 31, 2024, the Company had working capital of approximately $7.6 million, with such working capital inclusive of the Senior Secured Convertible Note classified as a current liability of approximately $13.1 million and approximately $24.8 million of cash.

The Company's ability to continue operations 12 months beyond the issuance of the financial statements, will depend upon generating substantial revenue that is conditioned upon obtaining positive third-party reimbursement coverage for its EsoGuard Esophageal DNA Test from both government and private health insurance providers, increasing revenue through contracting directly with self-insured employers, and on its ability to experience recurring losses from operations and will continue to fund its operations with raise additional capital through various potential sources including equity and/or debt and equity financing transactions, including current obligations on financings or refinancing existing debt obligations. These factors raise substantial doubt about the Company's existing convertible debt which in accordance with management's plans may include conversions ability to equity and refinancing our existing debt obligations to extend the maturity date. Notwithstanding, however, with the cash on-hand continue as of a going concern within one year after the date hereof and committed equity sources of financing, conversion and refinancing of existing convertible notes, the Company expects to be able to fund its operations and meet its financial obligations as they become due for the one year period from the date of the issue of the Company's accompanying unaudited condensed consolidated financial statements as included herein in this Quarterly Report on Form 10-Q for the period ended September 30, 2023. are issued.

Note 2 3 — Summary of Significant Accounting Policies

Significant Accounting Policies

The Company's significant accounting policies are as disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 as filed with the SEC on March 14, 2023 March 25, 2024, except as otherwise noted herein below.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), and applicable rules and regulations of the United States Securities and Exchange Commission ("SEC"), and include the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation. The Company is a majority-owned consolidated subsidiary of PAVmed, which has a majority equity ownership interest and has financial control of the Company. The Company manages its operations as a single operating segment for the purposes of assessing performance and making operating decisions.

As permitted under SEC rules, certain footnotes or other financial information normally required by U.S. GAAP have been condensed or omitted. The balance sheet as of December 31, 2022 December 31, 2023 has been derived from audited consolidated financial statements at such date. The accompanying unaudited condensed consolidated financial statements have been prepared on the same basis as the Company's annual consolidated financial statements, and in the opinion of management, include all adjustments, consisting only of routine recurring adjustments, necessary for a fair statement of the Company's unaudited condensed consolidated financial information.

The unaudited condensed consolidated results of operations for the three and nine months ended September 30, 2023 March 31, 2024 are not necessarily indicative of the consolidated results to be expected for the year ending December 31, 2023 December 31, 2024 or for any other interim period or for any other future periods. The accompanying unaudited condensed consolidated financial statements and related unaudited condensed consolidated financial information should be read in conjunction with the Company's audited consolidated financial statements and related notes thereto as of and for the year ended December 31, 2022 December 31, 2023 included in the Company's Annual Report on Form 10-K as filed with the SEC on March 14, 2023 March 25, 2024.

All amounts in the accompanying unaudited condensed consolidated financial statements and the notes thereto are presented in thousands of dollars, if not otherwise noted as being presented in millions of dollars, except for shares and per share amounts.

Note 3 — Summary of Significant Accounting Policies - continued

Use of Estimates

In preparing the unaudited condensed consolidated financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and the determination of corresponding carrying value reserves, if any, and liabilities and the disclosure of contingent losses, as of the date of the unaudited condensed consolidated financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Significant estimates in these unaudited condensed consolidated financial statements include those related to the estimated fair value of debt obligations, stock-based equity awards and intangible assets. Other significant estimates include the estimated incremental borrowing rate, the provision or benefit for income taxes and the corresponding valuation allowance on deferred tax assets. Additionally, management's assessment of the Company's ability to continue as a going concern involves the estimation of the amount and timing of future cash inflows and outflows. On an ongoing basis, the Company evaluates its estimates and assumptions. The Company bases its estimates on historical experience and on various other assumptions believed to be reasonable. Due to inherent uncertainty involved in making estimates, actual results reported in future periods may be affected by changes in these estimates.

Revenue Recognition

Revenues are recognized when the satisfaction of the performance obligation occurs, in an amount that reflects the consideration the Company expects to collect in exchange for those services. The Company's revenue is primarily generated by its laboratory testing services utilizing its EsoGuard Esophageal DNA tests. The services are completed upon release of a patient's test result to the ordering healthcare provider. Revenue recognized is inclusive of both variable consideration in connection with an individual patient's third-party insurance coverage policy and fixed consideration in connection with a contracted services arrangement with an unrelated third party legal entity. To determine revenue recognition for the arrangements that the Company determines are within the scope of ASC 606, Revenue from Contracts with Customers, the Company performs the following five steps: (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract and (5) recognize revenue when (or as) the entity satisfies a performance obligation.

The key aspects considered by the Company include the following:

***Contracts*—The Company's customer is primarily the patient, but the Company does not enter into a formal reimbursement contract with a patient. The Company establishes a contract with a patient in accordance with other customary business practices, which is the point in time an order is received from a provider and a patient specimen has been returned to the laboratory for testing. Payment terms are a function of a patient's existing insurance benefits, including the impact of coverage decisions with Center for Medicare & Medicaid Services ("CMS") and applicable reimbursement contracts established between the Company and payers. However, when a patient is considered self-pay, the Company requires payment from the patient prior to the commencement of the Company's performance obligations. The Company's consideration can be deemed variable or fixed depending on the structure of specific payer contracts, and the Company considers collection of such consideration to be probable to the extent that it is unconstrained.**

***Performance obligations*—A performance obligation is a promise in a contract to transfer a distinct good or service (or a bundle of goods or services) to the customer. The Company's contracts have a single performance obligation, which is satisfied upon rendering of services, which culminates in the release of a patient's test result to the ordering healthcare provider. The Company elects the practical expedient related to the disclosure of unsatisfied performance obligations, as the duration of time between providing testing supplies, the receipt of a sample, and the release of a test result to the ordering healthcare provider is far less than one year.**

***Transaction price*—The transaction price is the amount of consideration that the Company expects to collect in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, some sales taxes). The consideration expected to be collected from a contract with a customer may include fixed amounts, variable amounts, or both.**

If the consideration derived from the contracts is deemed to be variable, the Company estimates the amount of consideration to which it will be entitled in exchange for the promised goods or services. The Company limits the amount of variable consideration included in the transaction price to the unconstrained portion of such consideration. In other words, the Company recognizes revenue up to the amount of variable consideration that is not subject to a significant reversal until additional information is obtained or the uncertainty associated with the additional payments or refunds is subsequently resolved.

When the Company does not have significant historical experience or that experience has limited predictive value, the constraint over estimates of variable consideration may result in no revenue being recognized upon delivery of patient EsoGuard test results to the ordering healthcare provider. As such, the Company recognizes revenue up to the amount of variable consideration not subject to a significant reversal until additional information is obtained or the uncertainty associated with additional payments or refunds, if any, is subsequently resolved. Differences between original estimates and subsequent revisions, including final settlements, represent changes in estimated expected variable consideration, with the change in estimate recognized in the period of such revised estimate. With respect to a contracted service arrangement, the fixed consideration revenue is recognized on an as-billed basis upon delivery of the laboratory test report with realization of such fixed consideration deemed probable based upon actual historical experience.

***Allocate transaction price*—The transaction price is allocated entirely to the performance obligation contained within the contract with a customer on the basis of the relative standalone selling prices of each distinct good or service.**

***Practical Expedients*—The Company does not adjust the transaction price for the effects of a significant financing component, as at contract inception, the Company expects the collection cycle to be one year or less.**

Financial Instruments Fair Value Measurements

FASB ASC Topic 820, Fair Value Measurement, (ASC 820) defines fair value as the price which would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a transaction measurement date. The ASC 820 three-tier fair value hierarchy prioritizes the inputs used in the valuation methodologies, as follows:

Level 1	Valuations based on quoted prices for identical assets and liabilities in active markets.
Level 2	Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets which are not active, or other inputs observable or can be corroborated by observable market data.
Level 3	Valuations based on unobservable inputs reflecting the Company's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

The Company evaluates its financial instruments to determine if those instruments or any embedded components of those instruments potentially qualify as derivatives required to be separately accounted for in accordance with FASB ASC Topic 815, Derivatives and Hedging (ASC 815).

Note 2 3 — Summary of Significant Accounting Policies - continued

The recurring and non-recurring estimated fair value measurements are subjective and are affected by changes in inputs to the valuation models, including the Company's common stock price, and certain Level 3 inputs, including, the assumptions regarding the estimated volatility in the value of the Company's common stock price; the Company's dividend yield; the likelihood and timing of future dilutive transactions, as applicable, along with the risk-free rates based on U.S. Treasury security yields. Changes in these assumptions can materially affect the estimated fair values.

As of September 30, 2023 and December 31, 2022, the carrying values of cash, and accounts payable, approximate their respective fair value due to the short-term nature of these financial instruments.

Fair Value Option ("FVO") Election

Under a Securities Purchase Agreement dated March 13, 2023, the Company issued a Senior Secured Convertible Note dated March 21, 2023, referred to herein as the "March 2023 Senior Convertible Note", which is accounted under the "fair value option election" as discussed below.

Under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 815, *Derivative and Hedging*, ("ASC 815"), a financial instrument containing embedded features and/or options may be required to be bifurcated from the financial instrument host and recognized as separate derivative asset or liability, with the bifurcated derivative asset or liability initially measured at estimated fair value as of the transaction issue date and then subsequently remeasured at estimated fair value as of each reporting period balance sheet date.

Alternatively, FASB ASC Topic 825, *Financial Instruments*, ("ASC 825") provides for the "fair value option" ("FVO") election. In this regard, ASC 825-10-15-4 provides for the FVO election (to the extent not otherwise prohibited by ASC 825-10-15-5) to be afforded to financial instruments, wherein the financial instrument is initially measured at estimated fair value as of the transaction issue date and then subsequently remeasured at estimated fair value as of each reporting period balance sheet date, with changes in the estimated fair value recognized as other income (expense) in the statement of operations. The estimated fair value adjustment of the March 2023 Senior Convertible Note is presented in a single line item within other income (expense) in the accompanying unaudited condensed consolidated statement of operations (as provided for by ASC 825-10-50-30(b)). Further, as required by ASC 825-10-45-5, to the extent a portion of the fair value adjustment is attributed to a change in the instrument-specific credit risk, such portion would be recognized as a component of other comprehensive income ("OCI") (for which there was no such adjustment with respect to the March 2023 Senior Convertible Note).

See Note 10, 9, Financial Instruments Fair Value Measurements, with respect to the FVO election; and Note 11, 10, Debt, for a discussion of the March 2023 Senior Convertible Note.

Reclassifications

Certain prior-year amounts have been reclassified to conform to the current year presentation, which includes presenting costs of revenue within operating expenses on the statements of operations, in the unaudited condensed consolidated financial statements and accompanying notes to the unaudited condensed consolidated financial statements. The impact of the reclassifications made to prior year amounts is not material and did not affect net loss.

Recently Recent Accounting Standards Updates Not Yet Adopted Accounting Pronouncements

In June 2016, December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740)—Improvements to Income Tax Disclosures ("ASU 2023-09"), which is intended to enhance the transparency and decision usefulness of income tax disclosures. The amendments in ASU 2023-09 provide for enhanced income tax information primarily through changes to the rate reconciliation and income taxes paid information. ASU 2023-09 is effective for the Company prospectively to all annual periods beginning after December 15, 2024. Early adoption is permitted. The Company does not expect the standard to have a significant impact on its consolidated financial statements.

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280)—Improvements to Reportable Segment Disclosures ("ASU 2023-07"), which require public companies disclose significant segment expenses and other segment items on an annual and interim basis and to provide in interim periods all disclosures about a reportable segment's profit or loss and assets that are currently required annually. The guidance is effective for public entities for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The guidance is applied retrospectively to all periods presented in the financial statements, unless it is impracticable. The Company does not expect the standard to have a significant impact on its consolidated financial statements.

In October 2023, the FASB issued ASU No. 2023-06, Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative. This update modifies the disclosure or presentation requirements of a variety of topics in the Accounting Standards Codification to conform with certain SEC amendments in Release No. 33-10532, Disclosure Update ("ASU") No. 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement and Simplification. The amendments in this update should be applied prospectively, and the effective date for each amendment will be the date on which the SEC's removal of Credit Losses that related disclosure from Regulation S-X or S-K becomes effective. However, if the SEC has not removed the related disclosure from its regulations by June 30, 2027, the amendments will be removed from the Codification and not become effective. Early adoption is prohibited. The Company is currently evaluating the impact this update will have on Financial Instruments. The updated guidance requires companies to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets, including trade receivables. The guidance was adopted by the Company on January 1, 2023. The adoption of the ASU did not have an impact on the Company's its unaudited condensed consolidated financial statements. statements and disclosures.

Note 3 4 — Revenue from Contracts with Customers

EsoGuard Commercialization Agreement

The Company entered into the EsoGuard Commercialization Agreement, dated August 1, 2021, with its former commercial laboratory service provider, ResearchDx Inc. ("RDx"), an unrelated third-party. The EsoGuard Commercialization Agreement was on a month-to-month basis and was terminated on February 25, 2022 upon the execution of an asset purchase agreement ("APA") dated February 25, 2022, between LucidDx Labs Inc., a wholly-owned subsidiary of the Company, and RDx, with such agreement further discussed in Note 6, *Asset Purchase Agreement and Management Services Agreement*.

Note 3 — Revenue from Contracts with Customers - continued

Revenue Recognized

In the three and nine months month period ended September 30, 2023 March 31, 2024, the Company recognized revenue of $783 and $1,388 1,001, respectively, resulting from the delivery of patient EsoGuard test results. Revenue recognized from customer contracts deemed to include a variable consideration transaction price is limited to the unconstrained portion of the variable consideration. The Company's revenue for the three months month period ended September 30, 2022 March 31, 2023 was $76 446, resulting from the delivery of patient EsoGuard test results. The Company's revenue for the nine months ended September 30, 2022 was $265, and includes the activity described for the three months ended September 30, 2022, along with the revenue recognized under the EsoGuard Commercialization Agreement, which represented the minimum fixed monthly fee of $100 for the period January 1, 2022 to the February 25, 2022 termination date as discussed above. The monthly fee was deemed to be collectible for such period as RDx has timely paid the applicable respective monthly fee.

Cost of Revenue

The cost of revenues principally includes the costs related to the Company's laboratory operations (excluding estimated costs associated with research activities), the costs related to the EsoCheck cell collection device, cell sample mailing kits and license royalties.

In the three and nine months month period ended September 30, 2023 March 31, 2024, the cost of revenue was $1,634 and $4,522 1,656, respectively, and was primarily related to costs for our laboratory operations and EsoCheck device supplies. The Company's cost of revenue for the three months month period ended September 30, 2022 March 31, 2023 was $1,626 1,338 and was , primarily related to costs for our laboratory operations and EsoCheck device supplies. The Company's cost of revenue for the nine months ended September 30, 2022 was $1,996, and includes the activity described for the three months ended September 30, 2022, along with the costs attributable to delivering the services under the EsoGuard Commercialization Agreement for the period January 1, 2022 to February 25, 2022.

Note 4 5 — Related Party Transactions

Case Western Reserve University and Physician Inventors - Amended CWRU License Agreement

Case Western Reserve University ("CWRU") and each of the three physician inventors ("Physician Inventors") of the intellectual property licensed under the amended and restated patent license agreement with CWRU, dated August 23, 2021 (the "Amended CWRU License Agreement"), each hold a minority equity ownership interest in Lucid Diagnostics The aggregate Due To: PAVmed Inc. The expenses incurred with respect to the Amended CWRU License Agreement and the three Physician Inventors, as classified in the accompanying unaudited condensed consolidated statement of operations for the periods indicated are is summarized as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Cost of Revenue				
CWRU – Royalty Fees	$ 42	$ 4	$ 76	$ 13
General and Administrative Expense				
Amended CWRU – License Agreement - reimbursement of patent legal fees	343	—	732	209
Stock-based compensation expense – Physician Inventors' restricted stock awards	—	275	180	819
Research and Development Expense				
Fees - Physician Inventors' consulting agreements	5	15	15	32
Sponsored research agreement	—	4	—	6
Stock-based compensation expense – Physician Inventors' stock options	52	52	157	151
Total Related Party Expenses	$ 442	$ 350	$ 1,160	$ 1,230

	MSA Fees	Employee-Related Costs	PAVmed Inc. OBO Payments	Total
Balance - December 31, 2023	$ 6,150	$ 3,163	$ 26	$ 9,339
MSA fees	2,500	—	—	2,500
ERC - Benefits	—	455	—	455
On Behalf Of (OBO) activities	—	—	159	159
Cash payments to PAVmed Inc.	(5,333)	(461)	(113)	(5,907)
Payment to PAVmed Inc. settled in LUCD stock	(1,650)	(3,025)	—	(4,675)
Balance - March 31, 2024	$ 1,667	$ 132	$ 72	$ 1,871

As of September 30, 2023, the Company had an outstanding payable of $820.

Note 4 — Related Party Transactions - continued

PAVmed Inc. - Management Services Agreement

The Company's daily operations are also managed in part by personnel employed by PAVmed, for which the Company incurs a service fee, referred to as the "MSA Fee", according to the provisions of a Management Services Agreement ("MSA") with PAVmed. The MSA does not have a termination date, but may be terminated by the Company's board of directors. The MSA Fee is charged on a monthly basis and is subject-to periodic adjustment corresponding with changes in the services provided by PAVmed personnel to the Company, with any such change in the MSA Fee being subject to approval of the boards of directors of each of the Company and PAVmed. The respective companies' boards of directors approved a seventh an amendment to the MSA to increase the MSA Fee to $750 833 per month, effective January 1, 2023, which was entered into by PAVmed and the Company on May 9, 2023 January 1, 2024. During the three months ended September 30, 2022 March 31, 2023, MSA fees were $550 750 per month. During

On January 26, 2024, PAVmed elected to receive payment of $4,675 of fees and reimbursements due from Lucid, through the six months ended June 30, 2022, MSA Fees were $ issuance of 390 3,331,771 per month. shares of Lucid Diagnostics common stock.

The MSA Fee expense classification in the unaudited condensed consolidated statement of operations for the periods noted is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Sales & Marketing	109	330	327	713
General & Administrative	1,621	891	4,729	2,175
Research & Development	520	429	1,694	1,102
Total MSA Fee	$ 2,250	$ 1,650	$ 6,750	$ 3,990

	Three Months Ended March 31,	
	2024	2023
Sales & Marketing	$ 126	$ 109
General & Administrative	1,804	1,554
Research & Development	570	587
Total MSA Fee	$ 2,500	$ 2,250

The classification of the MSA Fee as presented above is based on the PAVmed classification of employee salary expense and other operating expenses. In this regard, PAVmed classifies employee salary expense as sales and marketing expenses for employees performing sales, sales support and marketing and reimbursement activities, and functions, general and administrative, and research and development except expenses for those employees who are engaged in product and services engineering development and design and /or clinical trials activities, for which such employee salary is and other employees and activities classified as research general and development expense. administrative.

Note 5 — Due To PAVmed Inc.

The aggregate Due To: PAVmed Inc. for the periods indicated is summarized as follows:

	MSA Fees	Employee-Related Costs	PAVmed Inc. OBO Payments	Total
Balance - December 31, 2022	$ 1,650	$ 3,026	$ 284	$ 4,960
MSA fees	6,750	—	—	6,750
ERC - Payroll & Benefits	—	1,382	—	1,382
On Behalf Of (OBO) activities	—	—	841	841
Cash payments to PAVmed Inc.	(2,250)	(309)	(1,088)	(3,647)
Balance - September 30, 2023	$ 6,150	$ 4,099	$ 37	$ 10,286

Note 6 — Asset Purchase Agreement and Management Services Agreement

Asset Purchase Agreement and Management Services Agreement - ResearchDx Inc.

Through its wholly-owned subsidiary, LucidDx Labs Inc. ("LucidDx Labs"), the Company entered into an asset purchase agreement ("APA") dated February 25, 2022, with ResearchDx, Inc. ("RDx"), an unrelated third-party - "APA-RDx". Under the APA-RDx, LucidDx Labs Inc. acquired certain assets from RDx which were combined with other property and equipment to establish a Company-owned CLIA certified, CAP accredited commercial clinical laboratory capable of performing the EsoGuard® Esophageal DNA assay, inclusive of DNA extraction, next generation sequencing ("NGS") and specimen storage. Prior to February 25, 2022, RDx provided such laboratory services at its owned CLIA-certified, CAP-accredited clinical laboratory. In connection with the execution and delivery of the APA-RDx, LucidDx Labs Inc. and RDx entered into a separate management services agreement ("MSA-RDx"), dated and effective February 25, 2022, pursuant to which RDx provided certain testing and related services for the Laboratory.

The total purchase price consideration payable under the APA-RDx is a face value of $3,200 comprised of three contractually specified periodic payments. The APA-RDx is being accounted for as an asset acquisition, with the recognition of an intangible asset of approximately $3,200, which is included in "Intangible assets, net" on the accompanying unaudited condensed consolidated balance sheet, as further discussed in Note 9, *Intangible Assets, net*.

Termination of Management Services Agreement and Modification of Other Payment Obligations - ResearchDx Inc.

On February 14, 2023, through LucidDx Labs Inc, the Company entered into an agreement (the "MSA Termination Agreement") with RDx, pursuant to which the parties mutually agreed to terminate the MSA-RDx without cause. The termination was effective as February 10, 2023. Until the termination of the management service agreement with RDx, RDx had continued to provide certain testing and related services for the Laboratory in accordance with the terms of the MSA-RDx.

The MSA Termination Agreement reduces the remaining amounts of the earnout payments and management fees due under the APA-RDx and the MSA-RDx to $713. The payment was satisfied through the issuance of 553,436 shares of the Company's common stock in February 2023. The Company was not required to make any cash payments in connection with the termination.

Note 7 6 — Prepaid Expenses, Deposits, and Other Current Assets

Prepaid expenses and other current assets consisted of the following as of:

	September 30, 2023	December 31, 2022
Advanced payments to service providers and suppliers	$ 273	$ 371
Prepaid insurance	44	52
Deposits	2,725	1,331
EsoCheck cell collection supplies	190	59
EsoGuard mailer supplies	—	52
Total prepaid expenses, deposits and other current assets	$ 3,232	$ 1,865

	March 31, 2024	December 31, 2023
Advanced payments to service providers and suppliers	$ 228	$ 266
Prepaid insurance	395	607
Deposits	1,732	1,981
Total prepaid expenses, deposits and other current assets	$ 2,355	$ 2,854

Note 8 7 — Leases

During the nine three months ended September 30, 2023 March 31, 2024, the Company entered into additional lease agreements that have commenced and are classified as operating leases and short-term leases for additional Lucid Test Centers. leases.

The Company's future lease payments as of September 30, 2023 March 31, 2024, which are presented as operating lease liabilities, current portion and operating lease liabilities, less current portion on the Company's unaudited condensed consolidated balance sheets are as follows:

2023 (remainder of year)	$ 313
2024	1,161
2025	127
2026	63
2027	24
Total lease payments	$ 1,688
Less: imputed interest	(96)
Present value of lease liabilities	$ 1,592

2024 (remainder of year)	$ 855
2025	133
2026	69
2027	30
2028	1
Total lease payments	$ 1,088
Less: imputed interest	(50)
Present value of lease liabilities	$ 1,038

Note 8 7 — Leases - continued

Supplemental disclosure of cash flow information related to the Company's cash and non-cash activities with its leases are as follows:

	Nine Months Ended September 30,	
	2023	2022
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 894	$ 689
Non-cash investing and financing activities		
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 380	$ 2,567
Weighted-average remaining lease term - operating leases (in years)	1.58	2.24
Weighted-average discount rate - operating leases	7.875%	7.875%

	Three Months Ended March 31,	
	2024	2023
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 305	$ 285
Non-cash investing and financing activities		
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 22	$ 125
Weighted-average remaining lease term - operating leases (in years)	1.28	1.77
Weighted-average discount rate - operating leases	7.875%	7.875%

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company's right-of-use assets from operating leases were $1,594 1,039 and $2,008 1,307, respectively, which are reported in operating lease right-of-use assets in the unaudited condensed consolidated balance sheets. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company had outstanding operating lease obligations of $1,592 1,038 and $1,999 1,305, respectively, of which $1,128 861 and $962 1,106, respectively, are reported in operating lease liabilities, current portion and $464 177 and $1,037 199, respectively, are reported in operating lease liabilities less current portion in the Company's unaudited condensed consolidated balance sheets. The Company calculates its incremental borrowing rates for specific lease terms, used to discount future lease payments, as a function of the financing terms the Company would likely receive on the open market.

Note 9 8 — Intangible Assets, net

Intangible assets, less accumulated amortization, consisted of the following as of:

	Estimated Useful Life	September 30, 2023	December 31, 2022
Defensive technology	60 months	$ 2,105	$ 2,105
Laboratory licenses and certifications and laboratory information management software	24 months	3,200	$ 3,200
Total Intangible assets		5,305	5,305
Less Accumulated Amortization		(3,376)	(1,860)
Intangible Assets, net		$ 1,929	$ 3,445

	Estimated Useful Life	March 31, 2024	December 31, 2023
Defensive technology	60 months	$ 2,105	$ 2,105
Laboratory licenses and certifications and laboratory information management software	24 months	3,200	$ 3,200
Total Intangible assets		5,305	5,305
Less Accumulated Amortization		(4,253)	(3,881)
Intangible Assets, net		$ 1,052	$ 1,424

The defensive technology intangible asset of $2.1 million (and approximately $0.2 million of accumulated amortization) was recognized by the Company as of the April 1, 2022 effective date of the transfer of CapNostics, LLC ("CapNostics") to the Company from PAVmed Subsidiary Corp (a wholly-owned subsidiary of PAVmed). The transfer was accounted for as entities under common control. The defensive technology intangible asset was recognized by PAVmed Subsidiary Corp upon its acquisition of CapNostics, an unrelated third-party, for total purchase consideration paid on the October 5, 2021 acquisition date of approximately $2.1 million in cash. The CapNostics transaction was accounted for as an asset acquisition, resulting in the recognition of the defensive technology intangible asset. The defensive technology intangible asset is being amortized on a straight-line basis over an expected useful life 60 months commencing on the acquisition date.

As noted in Note 6, *Asset Purchase Agreement and Management Services Agreement*, the asset purchase agreement between the Company and ResearchDx Inc. ("APA-RDx"), is being accounted for as an asset acquisition. The intangible assets recognized under the APA-RDx are the laboratory licenses and certifications (inclusive of a CLIA certification, CAP accreditation, and clinical laboratory licenses for five (5) U.S. States transferred to the Company from RDx), and a laboratory information management software perpetual-use royalty-free license granted under the APA-RDx, with such intangible asset having a useful life of twenty-four months commencing on the APA-RDx February 25, 2022 transaction date.

Amortization expense of the intangible assets discussed above was $505 372 and $505 for the three month periods ended September 30, 2023 March 31, 2024 and 2022, respectively, and $1,516 and $1,144 for the nine month periods ended September 30, 2023 and 2022, 2023, respectively, and is included in amortization of acquired intangible assets in the accompanying unaudited condensed consolidated statements of operations. As of September 30, 2023 March 31, 2024, the estimated future amortization expense associated with the Company's finite-lived intangible assets for each of the five succeeding fiscal years is as follows:

2023 (remainder of year)	**$ 505**	
2024	**688**	
2024 (remainder of year)		**$ 316**
2025	**421**	**421**
2026	**315**	**315**
Total	**$ 1,929**	**$ 1,052**

Note 10 9 — Financial Instruments Fair Value Measurements

Recurring Fair Value Measurements

The fair value hierarchy table for the reporting date noted is as follows:

	Fair Value Measurement on a Recurring Basis at Reporting Date Using[1]			
	Level-1 Inputs	Level-2 Inputs	Level-3 Inputs	Total
September 30, 2023				
March 2023 Senior Convertible Note	$ —	$ —	$ 14,490	$ 14,490
Totals	$ —	$ —	$ 14,490	$ 14,490

	Fair Value Measurement on a Recurring Basis at Reporting Date Using[1]			
	Level-1 Inputs	Level-2 Inputs	Level-3 Inputs	Total
March 31, 2024				
March 2023 Senior Convertible Note	$ —	$ —	$ 13,140	$ 13,140
Totals	$ —	$ —	$ 13,140	$ 13,140
	Level-1 Inputs	Level-2 Inputs	Level-3 Inputs	Total
December 31, 2023				
March 2023 Senior Convertible Note	$ —	$ —	$ 13,950	$ 13,950
Totals	$ —	$ —	$ 13,950	$ 13,950

1 There were no transfers between the respective Levels during the period three months ended September 30, 2023 March 31, 2024.

As discussed in Note 11, 10, *Debt*, the Company issued a Senior Secured Convertible Note dated March 21, 2023 with a $11.1 million face value principal ("March 2023 Senior Convertible Note"). The convertible note is accounted for under the ASC 825-10-15-4 fair value option ("FVO") election, wherein, the financial instrument is initially measured at its issue date estimated fair value and subsequently remeasured at estimated fair value on a recurring basis at each reporting period date.

The estimated fair value of the financial instruments classified within the Level 3 category was determined using both observable inputs and unobservable inputs. Unrealized gains and losses associated with liabilities within the Level 3 category include changes in fair value attributable to both observable (e.g., changes in market interest rates) and unobservable (e.g., changes in unobservable long- dated volatilities) inputs.

The estimated fair value of the March 2023 Senior Convertible Note as of each of March 21, 2023 March 31, 2024 and September 30, 2023 December 31, 2023 were computed using a Monte Carlo simulation of the present value of its cash flows using a synthetic credit rating analysis and a required rate-of-return, using the following assumptions:

	March 2023 Senior Convertible Note: March 21, 2023	March 2023 Senior Convertible Note: September 30, 2023
Fair Value	$ 11,900	$ 14,490
Face value principal payable	$ 11,111	$ 11,019
Required rate of return	11.00%	11.10%
Conversion Price	$ 5.00	$ 5.00
Value of common stock	$ 1.54	$ 1.17
Expected term (years)	2.00	1.47
Volatility	75.00%	65.00%
Risk free rate	4.09%	5.13%
Dividend yield	—%	—%

	March 2023 Senior Convertible Note: March 31, 2024	March 2023 Senior Convertible Note: December 31, 2023
Fair Value	$ 13,140	$ 13,950
Face value principal payable	$ 10,936	$ 11,019
Required rate of return	9.80%	10.00%
Conversion Price	$ 5.00	$ 5.00
Value of common stock	$ 0.81	$ 1.41
Expected term (years)	0.97	1.22
Volatility	55.00%	60.00%
Risk free rate	4.93%	4.56%
Dividend yield	—%	—%

The estimated fair values reported utilized the Company's common stock price along with certain Level 3 inputs (as discussed in the table above), in the development of Monte Carlo simulation models, discounted cash flow analyses, and /or Black-Scholes valuation models. The estimated fair values are subjective and are affected by changes in inputs to the valuation models and analyses, including the Company's common stock price, the Company's dividend yield, the risk-free rates based on U.S. Treasury security yields, and certain other Level-3 inputs including, assumptions regarding the estimated volatility in the value of the Company's common stock price, price and the volatility of similar entities within the medical device industry. Changes in these assumptions can materially affect the estimated fair values.

Note 11 10 — Debt

The fair value and face value principal outstanding of the March 2023 Senior Convertible Note as of the dates indicated are as follows:

	Contractual Maturity Date	Stated Interest Rate	Conversion Price per Share	Face Value Principal Outstanding	Fair Value
March 2023 Senior Convertible Note	March 21, 2025	7.875%	$ 5.00	$ 11,019	$ 14,490
Balance as of September 30, 2023				$ 11,019	$ 14,490

	Contractual Maturity Date	Stated Interest Rate	Conversion Price per Share	Face Value Principal Outstanding	Fair Value
March 2023 Senior Convertible Note	March 21, 2025	7.875%	$ 5.00	$ 10,936	$ 13,140
Balance as of March 31, 2024				$ 10,936	$ 13,140

	Contractual Maturity Date	Stated Interest Rate	Conversion Price per Share	Face Value Principal Outstanding	Fair Value
March 2023 Senior Convertible Note	March 21, 2025	7.875%	$ 5.00	$ 11,019	$ 13,950
Balance as of December 31, 2023				$ 11,019	$ 13,950

The changes in the fair value of debt during the three and nine months month period ended September 30, 2023 March 31, 2024 is as follows:

	March 2023 Senior Convertible Note	Other Income (expense)
Fair Value - June 30, 2023	$ 11,610	$ —
Installment repayments – common stock	(92)	—
Non-installment payments – common stock	(49)	—
Change in fair value	3,021	(3,021)
Fair Value at September 30, 2023	$ 14,490	
Other Income (Expense) - Change in fair value – three months ended September 30, 2023		$ (3,021)

	March 2023 Senior Convertible Note	Other Income (expense)
Fair Value - December 31, 2022	$ —	$ —
Face value principal – issue date	11,111	$ —
Fair value adjustment – issue date	789	(789)
Installment repayments – common stock	(92)	—
Non-installment payments – common stock	(49)	—
Change in fair value	2,731	(2,731)
Fair Value at September 30, 2023	$ 14,490	
Other Income (Expense) - Change in fair value – nine months ended September 30, 2023		$ (3,520)

	March 2023 Senior Convertible Note	Other Income (expense)
Fair Value - December 31, 2023	$ 13,950	$ —
Installment repayments – common stock	(83)	—
Non-installment payments – common stock	(436)	—
Change in fair value	(291)	291
Fair Value at March 31, 2024	$ 13,140	
Other Income (Expense) - Change in fair value – three months ended March 31, 2024		$ 291

The changes in the fair value of debt during the three month period ended March 31, 2023 is as follows:

	March 2023 Senior Convertible Note	Other Income (expense)
Fair Value - December 31, 2022	$ —	$ —
Face value principal – issue date	11,111	$ —
Fair value adjustment – issue date	789	(789)
Fair Value at March 31, 2023	$ 11,900	
Other Income (Expense) - Change in fair value – three months ended March 31, 2023		$ (789)

March 2023 Senior Secured Convertible Note

Lucid Diagnostics entered into a Securities Purchase Agreement ("SPA") dated March 13, 2023, with an accredited institutional investor ("Investor", "Lender", and /or "Holder"), wherein Lucid agreed to sell, and the Investor agreed to purchase, an aggregate of $11.1 million face value principal of debt.

Under the SPA, Lucid issued in a registered direct offering under its effective shelf registration statement a Senior Secured Convertible Note dated March 21, 2023, referred to herein as the "March 2023 Senior Convertible Note", with such note having a $11.1 million face value principal, a 7.875% annual stated interest rate, a contractual conversion price of $5.00 per share of the Company's common stock (subject to standard adjustments in the event of any stock split, stock dividend, stock combination, recapitalization or other similar transaction), and a contractual maturity date of March 21, 2025. The March 2023 Senior Convertible Note may be converted into shares of common stock of the Company at the Holder's election.

Note 10 — Debt - continued

The March 2023 Senior Convertible Note proceeds were $9.925 million after deducting a $1.186 million lender fee and offering costs. The lender fee and offering costs were recognized as of the March 21, 2023 issue date as a current period expense in other income (expense) in the Company's unaudited condensed consolidated statement of operations.

During the period from March 21, 2023 to September 20, 2023, Lucid is the Company was required to pay interest expense only (on the $11.1 million face value principal), at 7.875% per annum, computed on a 360 day year. The Company paid in cash interest expense of $148 and $391 24 for the three and nine months ended September 30, 2023, respectively.

Note 11 — Debt - continued March 31, 2023.

Commencing September 21, 2023, and then on each of the successive first and tenth trading day of each month thereafter through to and including March 14, 2025 (each referred to as an "Installment Date"); and on the March 21, 2025 maturity date, the Company will be required to make a principal repayment of $292 together with accrued interest thereon, with such 38 payments referred to herein as the "Installment Amount", settled in shares of common stock of the Company, subject to customary equity conditions, including minimum share price and volume thresholds, or at the election of the Company, in cash, in whole or in part.

In addition to the Installment Amount repayments, the Holder may elect to accelerate the conversion of future Installment Amount repayments, and interest thereon, subject to certain restrictions, as defined, utilizing the then current conversion price of the most recent Installment Date conversion price.

The payment of all amounts due and payable under this senior convertible note is guaranteed by all of Lucid Diagnostics' subsidiaries; and the obligations under this senior convertible note are secured by all of the assets of Lucid Diagnostics and its subsidiaries.

Lucid is subject to certain customary affirmative and negative covenants regarding the rank of the note, along with the incurrence of further indebtedness, the existence of liens, the repayment of indebtedness and the making of investments, the payment of cash in respect of dividends, distributions or redemptions, the transfer of assets, the maturity of other indebtedness, and transactions with affiliates, among other customary matters.

Lucid is subject to financial covenants requiring: (i) a minimum of $5.0 million of available cash at all times; (ii) the ratio of (a) the outstanding principal amount of the total senior convertible notes outstanding, accrued and unpaid interest thereon and accrued and unpaid late charges to (b) the Company's average market capitalization over the prior ten trading days, as of the last day of any fiscal quarter commencing with September 30, 2023, to not exceed 30%; and (iii) the Company's market capitalization to at no time be less than $30 million.. As of September 30, 2023 March 31, 2024, the Company was in compliance, and as of the date hereof, the Company is in compliance, with the Financial Tests.

The March 2023 Senior Convertible Note installment payments may be made in shares of Lucid Diagnostics common stock at a conversion price that is the lower of the contractual conversion price and 82.5% of the two lowest VWAPs during the last 10 trading days preceding the date of conversion, subject to a conversion price floor of $0.30. The notes are also subject to certain provisions that may require redemption upon the occurrence of an event of default, a change of control, or certain equity issuances.

In the nine months three month period ended September 30, 2023 March 31, 2024, approximately $92 83 of principal repayments along with approximately $48 436 of interest expense thereon, were settled through the issuance of 115,388 543,298 shares of common stock of the Company, with such shares having a fair value of approximately $166 686 (with such fair value measured as the respective conversion date quoted closing price of the common stock of the Company). The conversions resulted in a debt extinguishment loss of $26 167 in the three and nine months month period ended September 30, 2023 March 31, 2024. Subsequent to March 31, 2024, as of May 9, 2024, approximately $612 of principal repayments along with approximately $110 of interest expense thereon, were settled through the issuance of 1,139,851 shares of common stock of the Company, with such shares having a fair value of approximately $1,037 (with such fair value measured as the respective conversion date quoted closing price of the common stock of the Company).

Note 12 11 — Stock-Based Compensation

Lucid Diagnostics Inc. 2018 Long-Term Incentive Equity Plan

The Lucid Diagnostics Inc. 2018 Long-Term Incentive Equity Plan ("Lucid Diagnostics 2018 Equity Plan") is separate and apart from the PAVmed 2014 Equity Plan discussed below. The Lucid Diagnostics 2018 Equity Plan is designed to enable Lucid Diagnostics to offer employees, officers, directors, and consultants, an opportunity to acquire shares of common stock of Lucid Diagnostics. The types of awards that may be granted under the Lucid Diagnostics 2018 Equity Plan include stock options, stock appreciation rights, restricted stock, and other stock-based awards subject to limitations under applicable law. All awards are subject to approval by the Lucid Diagnostics compensation committee.

A total of 11,644,000 14,324,038 shares of common stock of Lucid Diagnostics are reserved for issuance under the Lucid Diagnostics 2018 Equity Plan, with 3,929,301 2,680,508 shares available for grant as of September 30, 2023 March 31, 2024. The share reservation is not diminished by a total of 423,300 stock options and 50,000 restricted stock awards granted outside the Lucid Diagnostics 2018 Equity Plan, as of September 30, 2023 March 31, 2024. In January 2024, the number of shares available for grant was increased by 2,680,038 in accordance with the evergreen provisions of the plan.

Note 12 11 — Stock-Based Compensation - continued

Lucid Diagnostics Stock Options

Lucid Diagnostics stock options granted under the Lucid Diagnostics 2018 Equity Plan and stock options granted outside such plan are summarized as follows:

	Number of Stock Options	Weighted Average Exercise Price	Remaining Contractual Term (Years)	Intrinsic Value[2]
Outstanding stock options at December 31, 2022	2,565,377	$ 3.14	8.3	$ 428
Granted[1]	2,982,500	$ 1.32		
Exercised	—	$ —		
Forfeited	(590,662)	$ 2.70		
Outstanding stock options at September 30, 2023[3]	4,957,215	$ 2.10	8.6	$ 347
Vested and exercisable stock options at September 30, 2023	1,439,442	$ 2.77	7.0	$ 347

	Number of Stock Options	Weighted Average Exercise Price	Remaining Contractual Term (Years)	Intrinsic Value[2]
Outstanding stock options at December 31, 2023	5,504,383	$ 2.00	8.5	$ 765
Granted[1]	3,000,000	$ 1.25		
Exercised	(3,333)	$ 1.31		
Forfeited	(168,337)	$ 1.57		
Outstanding stock options at March 31, 2024[3]	8,332,713	$ 1.74	8.8	$ 195
Vested and exercisable stock options at March 31, 2024	2,655,413	$ 2.29	7.6	$ 195

(1) Stock options granted under the Lucid Diagnostics 2018 Equity Plan and those granted outside such plan generally vest one-third in one year then ratably over the next eight quarters, and have a ten-year contractual term from date-of-grant.

(2) The intrinsic value is computed as the difference between the quoted price of the Lucid Diagnostics common stock on each of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 and the exercise price of the underlying Lucid Diagnostics stock options, to the extent such quoted price is greater than the exercise price.

(3) The outstanding stock options presented in the table above are inclusive of 423,300 stock options granted outside the Lucid Diagnostics 2018 Equity Plan, as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

See Note 4, *Related Party Transactions*, for a summary of the stock-based compensation expense recognized with respect to the stock options granted under the Lucid Diagnostics 2018 Equity Plan to the Physician Inventors.

Subsequent to September 30, 2023, on November 6, 2023 On February 22, 2024, the company granted to employees 500,000 2,895,000 stock options to employees and directors under the Lucid Diagnostics Inc 2018 Equity Plan with a weighted average exercise price of $1.29 1.25 for which. Each option will generally vest one-third after one year then ratably over the next eight quarters.

Lucid Diagnostics Restricted Stock Awards

Lucid Diagnostics restricted stock awards granted under the Lucid Diagnostics 2018 Equity Plan and restricted stock awards granted outside such plan are summarized as follows:

	Number of Restricted Stock Awards	Weighted Average Grant Date Fair Value
Unvested restricted stock awards as of December 31, 2022[1]	2,091,420	$ 11.44
Granted	—	—
Vested	(303,980)	11.95
Forfeited	—	—
Unvested restricted stock awards as of September 30, 2023	1,787,440	$ 11.36

(1) The unvested restricted stock awards presented in the table above, are inclusive of 50,000 restricted stock awards granted outside the Lucid Diagnostics 2018 Equity Plan as of December 31, 2022. These 50,000 restricted stock awards were fully vested during the period ended September 30, 2023.

	Number of Restricted Stock Awards	Weighted Average Grant Date Fair Value
Unvested restricted stock awards as of December 31, 2023	2,337,440	$ 8.99
Granted	—	—
Vested	(26,912)	4.56
Forfeited	(13,088)	4.56
Unvested restricted stock awards as of March 31, 2024	2,297,440	$ 9.07

Subsequent to September 30, 2023 March 31, 2024, on November 6, 2023, in May 2024, a total of 550,000 1,600,000 restricted stock awards were granted to management under the Lucid Diagnostics Inc 2018 Equity Plan, with such restricted stock awards vesting one third each year for the next three years with the final vesting date on November 6, 2026, and having an aggregate grant date fair value of approximately $0.7 1.5 million, which was measured as using the grant date quoted closing price per share of Lucid Diagnostics Inc. common stock, with such aggregate estimated the fair value recognized as stock-based compensation expense ratably on a straight-line basis over the vesting period, which is commensurate with the service period. The vesting of the restricted stock awards vest on a single vest date of May 20, 2026. The restricted stock awards are subject to forfeiture if the requisite service period is not completed.

PAVmed Inc. 2014 Equity Plan

The PAVmed Inc. 2014 Long-Term Incentive Equity Plan (the "PAVmed 2014 Equity Plan"), is separate and apart from the Lucid Diagnostics 2018 Equity Plan (as such equity plan is discussed above).

Note 12 11 — Stock-Based Compensation - continued

Stock-Based Compensation Expense

The stock-based compensation expense recognized by the Company for both the Lucid Diagnostics 2018 Equity Plan and the PAVmed 2014 Equity Plan, for the periods indicated, was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Lucid Diagnostics 2018 Equity Plan – cost of revenue	$ 16	$ 9	$ 44	$ 9
Lucid Diagnostics 2018 Equity Plan – sales and marketing	228	253	697	733
Lucid Diagnostics 2018 Equity Plan - general and administrative	721	2,990	4,069	9,504
Lucid Diagnostics 2018 Equity Plan - research and development	67	28	204	125
PAVmed 2014 Equity Plan - cost of revenue	10	—	26	—
PAVmed 2014 Equity Plan - sales and marketing	106	161	359	497
PAVmed 2014 Equity Plan - general and administrative	7	78	170	224
PAVmed 2014 Equity Plan - research and development	97	52	290	159
Total stock-based compensation expense	$ 1,252	$ 3,571	$ 5,859	$ 11,251

	Three Months Ended March 31,	
	2024	2023
Lucid Diagnostics 2018 Equity Plan – cost of revenue	$ 25	$ 12
Lucid Diagnostics 2018 Equity Plan – sales and marketing	271	223
Lucid Diagnostics 2018 Equity Plan - general and administrative	328	2,512
Lucid Diagnostics 2018 Equity Plan - research and development	120	70
PAVmed 2014 Equity Plan - cost of revenue	11	7
PAVmed 2014 Equity Plan - sales and marketing	79	133
PAVmed 2014 Equity Plan - general and administrative	2	156
PAVmed 2014 Equity Plan - research and development	97	95
Total stock-based compensation expense	$ 933	$ 3,208

The stock-based compensation expense, as presented above, is inclusive of: stock options and restricted stock awards granted under the Lucid Diagnostics 2018 Equity Plan to employees of PAVmed, the Physician Inventors, physician inventors of the technology licensed under the Amended CWRU License Agreement, and members of the board of directors of Lucid Diagnostics, as well as the stock options granted under the PAVmed 2014 Equity Plan to the Physician Inventors. physician inventors.

As of September 30, 2023 March 31, 2024, unrecognized stock-based compensation expense and weighted average remaining requisite service period with respect to stock options and restricted stock awards issued under each of the Lucid Diagnostics 2018 Equity Plan and the PAVmed 2014 Equity Plan, as discussed above, is as follows:

	Unrecognized Expense	Weighted Average Remaining Service Period (Years)
Lucid Diagnostics 2018 Equity Plan		
Stock Options	$ 3,620	2.1
Restricted Stock Awards	$ 633	1.0
PAVmed 2014 Equity Plan		
Stock Options	$ 608	1.9

	Unrecognized Expense	Weighted Average Remaining Service Period (Years)
Lucid Diagnostics 2018 Equity Plan		
Stock Options	$ 5,282	2.3
Restricted Stock Awards	$ 941	2.0
PAVmed 2014 Equity Plan		
Stock Options	$ 239	2.0

Stock-based compensation expense recognized with respect to stock options granted under the Lucid Diagnostics 2018 Equity Plan was based on a weighted average estimated fair value of such stock options of $0.88 0.84 per share and $1.61 0.87 per share during the three month periods ended September 30, 2023 March 31, 2024 and 2022. 2023, respectively, calculated using the following weighted average Black-Scholes valuation model assumptions:

	Nine Months Ended September 30,	
	2023	2022
Expected term of stock options (in years)	5.6	5.8
Expected stock price volatility	75%	72%
Risk free interest rate	3.7%	3.2%
Expected dividend yield	—%	—%

	Three Months Ended March 31,	
	2024	2023
Expected term of stock options (in years)	5.7	5.6
Expected stock price volatility	74%	75%
Risk free interest rate	4.3%	3.7%
Expected dividend yield	—%	—%

Lucid Diagnostics Inc Employee Stock Purchase Plan ("Lucid ESPP")

A total of 511,884 shares and 231,987 shares of common stock of Lucid Diagnostics were purchased for proceeds of approximately $276 on March 31, 2023 under the Lucid ESPP. A total of 276,213 and 84,030 shares of common stock of Lucid Diagnostics were purchased for proceeds of approximately $275 353 and $109 276 on September 30, 2023 March 31, 2024 and 2022, 2023, respectively, under the Lucid ESPP. The Lucid ESPP has a total reservation of 1,000,000 1,500,000 shares of common stock of which 407,770 395,886 shares are available-for-issue available for issue as of September 30, 2023 March 31, 2024. In January 2023, 2024, our board authorized an increase in the number of shares available-for-issue was increased available for issue by 500,000 in accordance with the evergreen provisions of the plan. .

Note 13 12 — Stockholders' Equity

Series A B Preferred Stock Offering and Exchange

On March 7, 2023 March 13, 2024, the Company issued 13,625 44,285 shares of newly designated Series A B Convertible Preferred Stock, par value $0.001 per share (the(the "Series A B Preferred Stock"), to accredited investors at a purchase price of $1,000per share, for aggregate gross proceeds to the Company of $13.625 18.1 million. In connection with the offering, 100% of the then-outstanding shares of Series A Preferred Stock and Series A-1 Preferred Stock were exchanged for shares of Series B Preferred Stock in the Series B Preferred Stock Offering and Exchange. As a result, no shares of Series A Preferred Stock or Series A-1 Preferred Stock remain outstanding.

In connection with the issuance the Company filed a Certificate of Designation of Preferences, Rights and Limitations of the Series A B Preferred Stock with the Secretary of State of the State of Delaware (the "Certificate of Designation"). The key terms of the Series A B Preferred Stock are as follows:

Each share of Series A B Preferred Stock is convertible at the option of the holder, subject to certain beneficial ownership limitations into such number of shares of the Company's common stock, equal to the number of Series A B Preferred Shares to be converted, multiplied by the stated value of $1,000 (the "Stated Value"), divided by the conversion price in effect at the time of the conversion. The initial conversion price is $1.394 1.2444, subject to adjustment in the event of stock splits, stock dividends, and similar transactions. The Series A B Preferred Stock is convertible into shares of our common stock at any time at the option of the holder from and after the six-month anniversary of its issuance, and automatically converts into shares of our common stock on March 7, 2025 March 13, 2026, the second anniversary of its issuance. issuance at a conversion price of $1.2444, and the Series B Preferred Stock is a voting security (subject to applicable ownership limitations). In addition, the Series B Preferred Stock issued in exchange for Series A Preferred Stock and Series A-1 Preferred Stock may be converted, at the election of the Company at any time after the six-month anniversary of the issuance of such shares of Series B Preferred Stock, upon written notice given to the holders of such shares, if the volume weight average price of our common stock has been at least $8.00 per share (subject to adjustment in the event of stock splits, stock dividends, and similar transactions) on 20 out of 30 consecutive trading days ending within 15 trading days prior to the date on which such notice is given (subject to certain limited exceptions) (a "VWAP-Based Mandatory Conversion").

The Series A B Preferred Stock will be senior to the Common Stock and any other class of the Company's capital stock that is not by its terms senior to or pari passu with the Series A B Preferred Stock.

The holders of Series A B Preferred Stock will be entitled to dividends payable as follows: (i) a number of shares of Common Stock equal to 20% of the number of shares of Common Stock issuable upon conversion of the Series A B Preferred Stock then held by such Holder on March 7, 2024 March 13, 2025, and (ii) a number of shares of Common Stock equal to 20% of the number of shares of Common Stock issuable upon conversion of the Series A B Preferred Stock then held by such Holder on March 7, 2025 March 13, 2026. A holder that voluntarily converts its Series A B Preferred Stock prior to March 7, 2024 March 13, 2025 or March 7, 2025 March 13, 2026, as the case may be, will not receive the dividend that accrues on such date with respect to such converted Series A B Preferred Stock. The holders of the Series A B Preferred Stock also will be entitled to dividends equal, on an as-if-converted to shares of Common Stock basis, to and in the same form as dividends actually paid on shares of the Common Stock when, as, and if such dividends are paid on shares of the Common Stock Stock..

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company (or any Deemed Liquidation Event as defined in the Certificate of Designation), the holders of shares of Series A B Preferred Stock then outstanding will be entitled to be paid out of the assets of the Company available for distribution to its stockholders, before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the greater of (i) the Stated Value, plus any dividends accrued but unpaid thereon, or (ii) such amount per share as would have been payable had all shares of Series A B Preferred Stock been converted into Common Stock immediately prior to such event.

The Series A B Preferred Stock is a non-voting voting security other than with respect (subject to limited matters related to changes in terms of the Series A Preferred Stock. applicable ownership limitations).

The Company will not effect any conversion of the Series A B Preferred Stock, and a holder will not have the right to receive dividends or convert any portion of the Series A B Preferred Stock, to the extent that, after giving effect to the receipt of dividends or the conversion, the holder (together with such holder's affiliates, and any persons acting as a group together with such holder or any of the holder's affiliates) would beneficially own in excess of 4.99% of the Company's outstanding common stock (or, upon election of the holder, 9.99% of the Company's outstanding common stock)..

The Company and the investors in the offering also executed a registration rights agreement (the "Series A B Registration Rights Agreement"), pursuant to which the Company agreed to file a registration statement covering the resale of the shares of Common Stock issuable pursuant to the Series A B Preferred Stock.

Series B-1 Preferred Stock Offering

Subsequent to March 31, 2024, on May 6, 2024, the Company issued approximately 11,634 shares of newly designated Series B-1 Convertible Preferred Stock (the "Series B-1 Preferred Stock"). The terms of the Series B-1 Preferred Stock are substantially identical to the terms of the Series B Preferred Stock, except that the Series B-1 Preferred Stock has a conversion price of $0.7228 and are not subject to a VWAP-Based Mandatory Conversion. The aggregate gross proceeds from the sale of shares in such offering were $11.6 million.

Series A Preferred Stock Offering

On March 7, 2023, the Company issued 13,625 shares of newly designated Series A Convertible Preferred Stock, par value $0.001 per share (the "Series A Preferred Stock"). The terms of the Series A Preferred Stock were substantially identical to the terms of the Series B-1 Preferred Stock, except that the Series A Preferred Stock had a conversion price of $1.394 and was not a voting security. The aggregate gross proceeds from the sale of shares in such offering were $13.6 million.

As noted above, on March 13, 2024, 100% of the then-outstanding shares of Series A Preferred Stock were exchanged for shares of Series B Preferred Stock in the Series B Preferred Stock Offering and Exchange. As a result, no shares of Series A Preferred Stock remain outstanding.

Series A-1 Preferred Stock Offering

Subsequent to September 30, 2023, on On October 17, 2023, the Company issued 5,000 shares of newly designated Lucid Series A-1 Convertible Preferred Stock (the "Series A-1 Preferred Stock"). The terms of the Series A-1 Preferred Stock are were substantially identical to the terms of the Series A Preferred Stock, except that the Series A-1 Preferred Stock has a conversion price of $1.2592. The aggregate gross proceeds from the sale of shares in such offering were $5.0 million.

The Company and the investors in the offering also executed a registration rights agreement (the "Series A-1 Registration Rights Agreement")

On March 13, 2024, pursuant to which the Company agreed to file a registration statement covering the resale of the issued an additional 5,670 shares of Common Stock issuable pursuant to the Series A-1 Preferred Stock.

Note 12 — Stockholders' Equity - continued

As noted above, on March 13, 2024, 100% of the then-outstanding shares of Series A-1 Preferred Stock were exchanged for shares of Series B Preferred Stock in the Series B Preferred Stock Offering and Exchange. As a result, no shares of Series A-1 Preferred Stock remain outstanding.

Deemed Dividend on Series A and Series A-1 Convertible Preferred Stock Exchange Offer

The fair value of the consideration given in the form of the issue of 44,285 shares of Series B Convertible Preferred Stock, with such fair value recognized as the carrying value of such issued shares of Series B Convertible Preferred Stock, as compared to both the newly issued Series B Convertible Preferred Stock (fair value of $12,495) and the carrying value of the extinguished Series A and Series A-1 Convertible Preferred Stock (carrying value of $24,295), resulting in an excess of fair value of 7.5 million recognized as a deemed dividend charged to accumulated deficit in the unaudited condensed consolidated balance sheet on March 13, 2024, with such deemed dividend included as a component of net loss attributable to common stockholders, summarized as follows:

Series B Convertible Preferred Stock Issuance and Series A/A-1 Exchange Offer	March 13, 2024
Fair Value - 44,285 shares of Series B Preferred Stock issued	$ 44,285
Less: Fair value related to newly issued Series B Preferred Stock (of 12,495 shares)	(12,495)
Less: Carrying value related to Series A and Series A-1 Preferred Stock Exchanged for Series B Preferred Stock (of 24,295 shares)	(24,295)
Deemed Dividend Charged to Accumulated Deficit	$ 7,495

Lucid Diagnostics Common Stock

In June 2023, the Company received shareholder approval to issue up to 200 million shares of its common stock, an increase of 100 million shares.

As of September 30, 2023March 31, 2024 and December 31, 2022December 31, 2023 there were 42,329,86446,747,062 and 40,518,79242,329,864 shares of common stock issued and outstanding, respectively. As of September 30, 2023March 31, 2024, PAVmed holds 31,302,42031,302,444 shares, representing a majority-interest equity ownership and PAVmed has a controlling financial interest in the Company.

On January 26, 2024 PAVmed elected to receive payment of $4,675

Note 13 — Stockholders' Equity - continued of fees and reimbursements due from Lucid, through the issuance of 3,331,771 shares of Lucid Diagnostics common stock. Substantially all of such shares were distributed by PAVmed to its shareholders on February 15, 2024.

Committed Equity Facility and ATM Facility

On March 28, 2022, the Company entered into a committed equity facility with an affiliate of Cantor Fitzgerald ("Cantor"). Under the terms of the committed equity facility, Cantor has committed to purchase up to $50 million of the Company's common stock from time to time at the request of the Company. While there are distinct differences, the facility is structured similarly to a traditional at-the-market equity facility, insofar as it allows the Company to raise primary equity capital on a periodic basis at prices based on the existing market price. Cumulatively a total of 680,263 shares of Lucid Diagnostics' common stock were issued for net proceeds of approximately $1.8 million, after a 4% discount, as of September 30, 2023 March 31, 2024.

In November 2022, the Company entered into an "at-the-market offering" ("ATM") for up to $6.5 million of its common stock that may be offered and sold under a Controlled Equity Offering Agreement between the Company and Cantor Fitzgerald & Co. In the nine months ended September 30, 2023, the Company sold Cantor. Cumulatively a total of 230,068 shares of Lucid Diagnostics' common stock were issued through the at-the-market equity facility for net proceeds of approximately $0.3 million, after payments of 3% commissions. No shares were sold under the at-the-market equity facility during the three months ended September 30, 2023 commissions, as of March 31, 2024.

Note 14 13 — Net Loss Per Share

The Net loss per share basic and diluted for the respective periods indicated is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Numerator				
Net loss	$ (14,208)	$ (14,349)	$ (41,836)	$ (41,243)
Denominator				
Weighted average common shares outstanding, basic and diluted	41,862,805	36,405,945	41,558,979	35,767,857
Net loss per share				
Net loss per share - basic and diluted	$ (0.34)	$ (0.39)	$ (1.01)	$ (1.15)

	Three Months Ended March 31,	
	2024	2023
Numerator		
Net loss	$ (10,612)	$ (16,247)
Deemed dividend on Series A and Series A-1 Convertible Preferred Stock	(7,496)	—
Net loss attributable to Lucid Diagnostics Inc. common stockholders	$ (18,108)	$ (16,247)
Denominator		
Weighted average common shares outstanding, basic and diluted	45,014,410	40,970,504
Net loss per share [(1)]		
Net loss per share - basic and diluted	$ (0.40)	$ (0.40)

(1) - Convertible Preferred Stock would potentially be considered a participating security under the two-class method of calculating net loss per share. However, the Company has incurred net losses to-date, and as such holders are not contractually obligated to share in the losses, there is no impact on the Company's net loss per share calculation for the periods indicated.

Basic weighted-average number of shares of common stock outstanding for the three month periods ended September 30, 2023 March 31, 2024 and 2022 2023 include the shares of the Company issued and outstanding during such periods, each on a weighted average basis. The basic weighted average number of shares common stock outstanding excludes common stock equivalent incremental shares, while diluted weighted average number of shares outstanding includes such incremental shares. However, as the Company was in a loss position for all periods years presented, basic and diluted weighted average shares outstanding are the same, as the inclusion of the incremental shares would be anti-dilutive. The common stock equivalents excluded from the computation of diluted weighted average shares outstanding are as follows:

	2023	2022	March 31,	
	September 30,			
	2023	2022	2024	2023
Stock options	4,957,215	2,633,089	8,332,713	5,052,458
Unvested restricted stock awards	1,787,440	2,091,420	2,297,440	1,872,100
Preferred stock	13,683,647	—	35,587,314	13,695,850
Total	20,428,302	4,724,509	46,217,467	20,620,408

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our unaudited condensed consolidated financial condition and results of operations should be read together with our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 (the "Form 10-K"), as filed with the Securities and Exchange Commission (the "SEC").

Unless the context otherwise requires, (i) "we", "us", and "our", and the "Company", "Lucid" and "Lucid Diagnostics" refer to Lucid Diagnostics Inc. and its subsidiaries LucidDx Labs Inc. ("LucidDx Labs") and CapNostics, LLC ("CapNostics"), (ii) "FDA" refers to the Food and Drug Administration, (iii) "510(k)" refers to a premarket notification, submitted to the FDA by a manufacturer pursuant to § 510(k) of the Food, Drug and Cosmetic Act and 21 CFR § 807 subpart E, (iv) "CLIA" refers to the Clinical Laboratory Improvement Amendments of 1988 and associated regulations set forth in 42 CFR § 493, (v) "CE Mark" refers to a "Conformité Européenne" Mark, a mark indicating that a product such as a medical device conforms to the essential requirements of the relevant European directive, and (vi) "LDT" refers to a diagnostic test, defined by the FDA as "an IVD that is intended for clinical use and designed, manufactured and used within a single laboratory," which is generally subject only to self-certification of analytical validity under the CMS CLIA program.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Form 10-Q"), including the following discussion and analysis of our unaudited condensed consolidated financial condition and results of operations, contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, contained in this Form 10-Q, including statements regarding our future results of operations and financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. The words "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements are not guarantees of future performance and the Company's actual results may differ significantly from those expressed or implied in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed in Item 1A of Part I of the Form 10-K under the heading "Risk Factors."

Important factors that may affect our actual results include:

- our limited operating history;
- our financial performance, including our ability to generate revenue;
- our ability to obtain regulatory approval for the commercialization of our products;
- the risk that the FDA will cease to exercise enforcement discretion with respect to LDTs, like EsoGuard;
- the ability of our products to achieve market acceptance;
- our success in retaining or recruiting, or changes required in, our officers, key employees or directors;
- our potential ability to obtain additional financing when and if needed;
- our ability to protect our intellectual property;
- our ability to complete strategic acquisitions;
- our ability to manage growth and integrate acquired operations;
- the potential liquidity and trading of our securities;
- our regulatory and operational risks;
- cybersecurity risks;
- risks related to the COVID-19 pandemic and other health-related emergencies;
- risks related to our relationship with PAVmed; and
- our estimates regarding expenses, future revenue, capital requirements and needs for additional financing.

In addition, our forward-looking statements do not reflect the potential impact of any future financings, acquisitions, mergers, dispositions, joint ventures or investments we may make.

We may not actually achieve the results, plans intentions, and/or expectations objectives disclosed in our forward-looking statements, and the intended or expected developments and/or other events disclosed in our forward-looking statements may not actually occur, and accordingly you should not place undue reliance on our forward-looking statements. You should read this Form 10-Q and the documents we have filed as exhibits to this Form 10-Q and the Form 10-K completely and with the understanding our actual future results may be materially different from what we expect. We do not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

Overview

We are a commercial-stage medical diagnostics technology company focused on the millions of patients who are at risk of developing esophageal precancer and cancer, specifically highly lethal esophageal adenocarcinoma (“EAC”).

We believe that our flagship product, the EsoGuard Esophageal DNA Test, performed on samples collected with the EsoCheck Esophageal Cell Collection Device, constitutes the first and only commercially available diagnostic test capable of serving as a widespread tool for the early detection of esophageal precancer, including Barrett’s Esophagus (“BE”), in at-risk patients. Early detection of esophageal precancer allows patients to undergo appropriate monitoring and treatment, as indicated by clinical practice guidelines, in an effort to prevent progression to esophageal cancer.

Overview - continued

EsoGuard is a bisulfite-converted targeted next-generation sequencing (NGS) DNA assay performed on surface esophageal cells collected with EsoCheck. It quantifies methylation at 31 sites on two genes, Vimentin (VIM) and Cyclin A1 (CCNA1). The assay was evaluated Analytical validation tests of EsoGuard demonstrated approximately 97% analytical sensitivity, 95% analytical specificity, approximately 98% analytical accuracy, and 100% inter-assay and intra-assay precision. Two independent clinical validation case control studies funded by the National Institute of Health utilized were performed using upper endoscopy with biopsies as the diagnostic comparator and confirmed EsoGuard accurately identifies BE. A pooled analysis of both studies demonstrated 84% sensitivity (95% confidence interval ("CI") 76-90%), for detection of BE, and 86% specificity (95% CI 81-91%). Positive predictive value ("PPV") and negative predictive value ("NPV") were calculated using a BE prevalence of 10.6% published in a 408-patient multicenter case-control study published meta-analysis of U.S patients with gastroesophageal reflux disease ("GERD"). This resulted in Science Translational Medicine a PPV of approximately 42% and showed greater than 90% sensitivity and specificity at detecting esophageal precancer and all conditions along the BE-EAC spectrum, including on samples collected with EsoCheck (Moinova, et al. Sci Transl Med. 2018 Jan 17;10(424): eaao5848) NPV of around 98%. *EsoGuard is commercially available in the U.S. as a LDT performed at our CLIA-certified laboratory. Cell samples, including those collected with EsoCheck, as discussed below, are sent to our laboratory, for testing and analyses using EsoGuard.*

EsoCheck is an FDA 510(k) and CE Mark cleared noninvasive swallowable balloon capsule catheter device capable of sampling surface esophageal cells in a less than five-minute office procedure. It consists of a vitamin pill-sized rigid plastic capsule tethered to a thin silicone catheter from which a soft silicone balloon with textured ridges emerges to gently swab surface esophageal cells. When vacuum suction is applied, the balloon and sampled cells are pulled into the capsule, protecting them from contamination and dilution by cells outside of the targeted region during device withdrawal. We believe this proprietary Collect+Protect™ technology makes EsoCheck the only noninvasive esophageal cell collection device capable of such anatomically targeted and protected sampling.

EsoGuard and EsoCheck are based on patented technology licensed by Lucid from Case Western Reserve University ("CWRU"). EsoGuard and EsoCheck have been developed to provide an accurate, non-invasive, patient-friendly test for the early detection of EAC and BE, including dysplastic BE and related precursors to EAC in patients with chronic gastroesophageal reflux disease ("GERD"), GERD, commonly known as chronic heart burn, acid reflux, or just reflux.

Recent Developments

Business

Status of Clinical Trials and Publications

Lucid continues to accelerate its collection and publication of clinical utility data through a range of trials. These efforts include an investigator-initiated, retrospective analysis of prospectively collected data on San Antonio firefighters who underwent testing as part of a community-sponsored cancer awareness event described below; a virtual-patient randomized controlled trial Intercompany Agreements with intended recruitment of at least 100 physician participants; a Lucid-sponsored multi-center, prospective, observational study with 500 patients; and two Lucid-sponsored registries, in which Lucid collects real-world clinical utility and clinical validity data on EsoGuard Esophageal DNA testing for the detection of esophageal precancer in two distinct populations.

With regard to the two registries, the Prospective REView of Esophageal Precancer DetectioN in AT-Risk Patients (PREVENT) Registry collects data on EsoGuard testing in the commercial increased-risk population, while the PREVENT-Fire Fighters (PREVENT-FF) Registry focuses exclusively on increased-risk firefighters. Complete data for the San Antonio firefighter study has been accepted for peer review publication in Journal of Gastrointestinal & Digestive System (ISSN: 2161-069X). Combined early interim results from the PREVENT and PREVENT-FF registries focusing on provider decision impact has also been accepted for peer review publication in Journal of Gastroenterology & Digestive Systems (ISSN: 2640-7477).

Interim results for the Lucid-sponsored observational study have been posted in preprint on medRxiv and are undergoing journal peer review. Enrollment for the Lucid-sponsored observational study is expected to be completed by the end of the year. Similarly, results for the Lucid-sponsored virtual-patient study are expected to be ready for analysis before the end of 2023.

#CheckYourFoodTube Events

In January 2023, Lucid completed its first #CheckYourFoodTube Precancer Testing Event, with the San Antonio Fire Department (the "SAFD") during Firefighter Cancer Awareness Month as designated by the International Association of Fire Fighters (IAFF). A total of 391 members who were deemed to be at-risk for esophageal precancer, underwent a brief, on-site, noninvasive cell collection procedure, performed by our clinical personnel using EsoCheck. Firefighters with suspected esophageal precancer based on a positive EsoGuard result were identified, including some less than 40 years of age, and will undergo appropriate monitoring and treatment, as indicated by clinical practice guidelines, to prevent progression to esophageal cancer.

Since then, additional testing events have been hosted with the SAFD, and similar events have been held with fire departments throughout the country. These events are ongoing and are an extension of Lucid's satellite Lucid Test Center ("sLTC") program, which brings Lucid precancer testing directly to patients—at their physician's office and now at testing day events.

Launch of Direct Contracting Strategic Initiative *PAVmed*

In March 2023, we launched a Direct Contracting Strategic Initiative On March 22, 2024, PAVmed and the Company entered into an eighth amendment to the the management services agreement between PAVmed and Lucid ("DCSI" MSA") to engage directly with large Administrative Services Only ("ASO") self-insured employers, unions and other entities, seeking increase the monthly fee thereunder from $0.75 million per month to replicate $0.83 million per month, effective as of January 1, 2024. The amendment also reset the successes maximum number of other cancer screening diagnostic companies that have deployed similar strategies. In August 2023, shares issuable under the company announced it had contracted agreement to 19.99% of the shares outstanding as of the date of the amendment.

On January 26, 2024, in accordance with the Ancira Automotive Group as a result MSA and the payroll, benefits and expense reimbursement agreement between PAVmed and Lucid ("PBERA"), PAVmed elected to receive payment of this initiative, providing access to esophageal precancer testing for its employees at all 12 San Antonio locations.

Business - continued approximately $4.7 million of fees and reimbursements accrued under the MSA and the PBERA through the issuance of 3,331,771 shares of Lucid's common stock.

FDA Enforcement Discretion

In April 2024, FDA published the final rule under which FDA intends to phase out its general enforcement discretion approach for LDTs so that IVDs manufactured by a laboratory would generally fall under the same enforcement approach as other IVDs (the proposed rule was published in October 2023). In the final rule, FDA has expanded the categories of LDTs that will be eligible for continued enforcement discretion, which categories include LDTs first marketed prior to May 6, 2024 and LDTs approved by New Revenue Cycle Management Provider York State's Clinical Laboratory Evaluation Program (NYS CLEP). As EsoGuard was marketed prior to the cutoff date, and is also NYS CLEP-approved, EsoGuard will remain under continued enforcement discretion from FDA's premarket review requirements and quality systems requirements (except for record-keeping). As such, there is no immediate impact from the final rule on Lucid's regulatory strategy.

Appointment of Dennis Matheis to Board of Directors

In May 2023, Lucid began to transition claims submission responsibility to a new revenue cycle management provider that offered more robust capabilities for, among other things, claims processing and appeals. The provider upgrade has been completed and claim submissions resumed in June 2023. Since completing On May 6, 2024, the transition, the upgrade has continued to demonstrate an improvement in speed of collections, turnaround time to claim submission, percentage of claims paid, and actionable data for appeals.

Personnel Update

Effective on November 6, 2023, Lucid's board of directors of the Company appointed Shaun M. O'Neil Dennis Matheis as a Class A director of the President of Lucid. Mr. O'Neil, who is 41 years old, also continues to serve as the Chief Operating Officer of PAVmed and as the Chief Operating Officer of Lucid. For additional biographical information about Mr. O'Neil, please refer to Lucid's definitive proxy statement on Schedule 14A filed on May 1, 2023, which information is incorporated herein by reference. Other than in Company. In connection with his service as appointment, the Company will be entering into its standard form of indemnification agreement with Mr. Matheis. In connection with his joining the board, Mr. Matheis received a grant of an officer option to acquire 241,500 shares of PAVmed and Lucid, Mr. O'Neil has not engaged in any transactions with Lucid that are required to be reported the Company's common stock pursuant to Item 404(a) of Regulation S-K. the Company's Amended and Restated 2018 Long-Term Incentive Equity Plan in accordance with the Company's existing compensation policy for non-employee directors.

Financing

Series A B and Series B-1 Preferred Stock Offering Offerings

On March 7, 2023 March 13, 2024, we sold entered into subscription agreements (each, a "Series B Subscription Agreement") and exchange agreements (each, a "Series B Exchange Agreement") with certain accredited investors (collectively, the "Series B Investors"), which agreements provided for (i) the sale to the Series B Investors of 12,495 shares of our newly designated Series B Convertible Preferred Stock, par value $0.001 per share (the "Series B Preferred Stock"), at a purchase price of $1,000 per share, and (ii) the exchange by the Series B Investors of 13,625 shares of our Series A convertible preferred stock, Convertible Preferred Stock, par value $0.001 per share (the "Series A Preferred Stock"), solely and 10,670 shares of our Series A-1 Convertible Preferred Stock, par value $0.001 per share (the "Series A-1 Preferred Stock"), held by them for 31,790 shares of Series B Preferred Stock (collectively, the "Series B Offering and Exchange"). Prior to accredited investors. the execution of the Series B Subscription Agreements and the Series B Exchange Agreements, we entered into subscription agreements with certain of the Series B Investors providing for the sale to such investors of 5,670 shares of Series A-1 Preferred Stock, at a purchase price of $1,000 per share, which shares the investors immediately agreed to exchange for shares of Series B Preferred Stock pursuant to the Series B Exchange Agreements (and are included in the 10,670 shares of Series A-1 Preferred Stock set forth above). Each share of the Series A B Preferred Stock has a stated value of $1,000 and a conversion price of $1.394. The Series A Preferred Stock is convertible into shares of our common stock at any time at the option of the holder from and after the six-month anniversary of its issuance (or, if later, the effective date of a registration statement covering the resale of the underlying shares), and automatically converts into shares of our common stock on the second anniversary of its issuance. $1.2444. The terms of the Series A B Preferred Stock also include a one times preference on liquidation and a right to receive dividends equal to 20% of the number of shares of our common stock into which such Series A B Preferred Stock is convertible, payable on each of the one-year and two-year anniversary of the issuance date. The holders of the Series A B Preferred Stock also will be entitled to dividends equal, on an as-if-converted to shares of common stock basis, to and in the same form as dividends actually paid on shares of the common stock when, as, and if such dividends are paid on shares of the common stock. The Series B Preferred Stock is a non-voting security, other than with respect to limited matters related to changes in terms voting security. The aggregate gross proceeds of the Series A Preferred Stock. The these transactions were $18.16 million (inclusive of $5.67 million of aggregate gross proceeds from the sale of shares the Series A-1 Preferred Stock that was immediately exchanged for Series B Preferred Stock in such offering were $13.625 million the transactions).

As a result of 100% of the then-outstanding shares of Series A Preferred Stock and Series A-1 Preferred Stock being exchanged for shares of Series B Preferred Stock in the Series B Offering and Exchange, no shares of Series A Preferred Stock or Series A-1 Preferred Stock remain outstanding.

On October 17, 2023 Subsequent to March 31, 2024, we sold 5,000 on May 6, 2024, the Company issued approximately 11,634 shares of newly designated Series A-1 convertible preferred stock, par value $0.001 per share B-1 Convertible Preferred Stock (the "Series A-1 B-1 Preferred Stock"), solely to accredited investors. . The terms of the Series A-1 B-1 Preferred Stock are substantially identical to the terms of the Series A B Preferred Stock, except that the Series A-1 B-1 Preferred Stock has a conversion price of $1.2592. $0.7228. The aggregate gross proceeds from the sale of shares in such offering were $5.0 million $11.6 million.

*Private Placement - Securities Purchase Agreement*The aggregate gross proceeds from the issuances of the Series B Preferred Stock and Series B-1 Preferred Stock were approximately $29.8 million. As a result, the Company has concluded its Board-approved offering of $30 million of preferred stock.

Effective as of March 13, 2023, we entered into a Securities Purchase Agreement ("SPA") with an accredited institutional investor, pursuant to which we agreed to sell, and the investor agreed to purchase, a Senior Secured Convertible Note with a face value principal of $11.1 million (the "March 2023 Note"). We issued the March 2023 Note on March 21, 2023 pursuant to the SPA. The proceeds from the sale of the March 2023 Note were $9.925 million after deducting a $1.186 million lender fee and offering costs.

The March 2023 Note has a 7.875% annual stated interest rate, a contractual conversion price of $5.00 per share of the Company's common stock (subject to standard adjustments in the event of any stock split, stock dividend, stock combination, recapitalization or other similar transaction), and a contractual maturity date of the two-year anniversary of the date of issuance. The principal of the March 2023 Note and accrued interest thereon is convertible at the option of the holder into the Company's common stock at the contractual conversion price. In addition, the principal of the March 2023 Note amortizes over 18 months commencing six months after its issuance. The amortization payments and accrued interest on the March 2023 Note are payable in shares of the Company's common stock (subject to the satisfaction of certain customary equity conditions and except for interest payable prior to September 21, 2023), at prices based on the then current market price.

ATM Facility

In November 2022, Lucid Diagnostics entered into an "at-the-market offering" for up to $6.5 million of its common stock that may be offered and sold under a Controlled Equity Offering Agreement between Lucid Diagnostics and Cantor Fitzgerald & Co. ("Cantor"). In the nine months ended September 30, 2023, we sold 230,068 shares through our at-the-market equity facility for net proceeds of approximately $0.3 million, after payment of 3% commissions. No shares were sold through our at-the-market equity facility during the three months ended September 30, 2023.

Results of Operations

Overview

Revenue

The Company recognized revenue resulting from the delivery of patient EsoGuard test results when the Company considered the collection of such consideration to be probable to the extent that it is unconstrained. Additionally, in the three months ended March 31, 2022, revenue was recognized with respect to the EsoGuard Commercialization Agreement, dated August 1, 2021, between the Company and RDx, a CLIA certified commercial laboratory service provider. On February 25, 2022, the EsoGuard Commercialization Agreement was terminated upon our acquisition, pursuant to the APA-RDx, of certain assets necessary to operate our own CLIA certified laboratory. For a fuller description of the APA-RDx, see Note 6, *Asset Purchase Agreement and Management Services Agreement*, to our accompanying unaudited condensed consolidated financial statements.

Cost of revenue

Cost of revenues recognized from the delivery of patient EsoGuard test results includes costs related to EsoCheck device usage, shipment of test collection kits, royalties and the cost of services to process tests and provide results to physicians. We incur expenses for tests in the period in which the activities occur, therefore, gross margin as a percentage of revenue may vary from quarter to quarter due to costs being incurred in one period that relate to revenues recognized in a later period.

We expect that gross margin for our services will continue to fluctuate and be affected by EsoGuard test volume, our operating efficiencies, patient compliance rates, payer mix, the levels of reimbursement, and payment patterns of payers and patients.

For the previously terminated EsoGuard Commercialization Agreement in February 2022, the cost of revenue recognized is inclusive of: a royalty fee incurred under the Amended CWRU License Agreement (as defined in Note 4, *Related Party Transactions*, to our accompanying unaudited condensed consolidated financial statements); the cost of EsoCheck devices and EsoGuard mailers (cell sample shipping costs); and Lucid Test Centers operating expenses, including rent expense and supplies.

Sales and marketing expenses

Sales and marketing expenses consist primarily of salaries and related costs for employees engaged in sales, sales support and marketing activities, as well as the portion of the MSA Fee (as defined in Note 4, 5, *Related Party Transactions*, to our accompanying unaudited condensed consolidated financial statements) allocated to sales and marketing expenses, which are principally costs related to PAVmed employees who are performing services for the Company. We anticipate our sales and marketing expenses will increase in the future, to the extent we expand our commercial sales and marketing operations as resources permit and insurance reimbursement coverage for our EsoGuard test expands.

General and administrative expenses

General and administrative expenses consist primarily of professional fees for accounting, tax, audit and legal services (including those fees incurred as a result of our being a public company), consulting fees, expenses associated with obtaining and maintaining patents within our intellectual property portfolio, and certain employee costs, along with the portion of the MSA Fee allocated to general and administrative expenses.

We anticipate our general and administrative expenses will increase in the future to the extent our business operations grow. Furthermore, we anticipate continued expenses related to being a public company, including fees and expenses for audit, legal, regulatory, tax-related services, insurance premiums and investor relations costs associated with maintaining compliance as a public company.

Research and development expenses

Research and development expenses are recognized in the period they are incurred and consist principally of internal and external expenses incurred for the development of our technologies and conducting clinical trials, including:

- costs associated with regulatory filings;
- patent license fees;
- cost of laboratory supplies and acquiring, developing, and manufacturing preclinical prototypes; and
- MSA Fee allocated to research and development.

We plan to incur research and development expenses for the foreseeable future as we continue the development of our existing products as well as new innovations. Our research and development activities, including our clinical trials, are focused principally on facilitating insurer reimbursement, encouraging physician adoption and developing product improvements or extending the utility of the lead products in our pipeline, including EsoCheck and EsoGuard.

Other Income and Expense, net

Other income and expense, net, consists principally of changes in fair value of our convertible note and losses on extinguishment of debt upon repayment of such convertible note.

Presentation of Dollar Amounts

All dollar amounts in this Management's Discussion and Analysis of Financial Condition and Results of Operations are presented as dollars in millions, except for share and per share amounts.

Results of Operations - continued
The three months ended September 30, 2023 March 31, 2024 as compared to three months ended September 30, 2022 March 31, 2023

Revenue

In the three months ended September 30, 2023 March 31, 2024, revenue was $0.8 million $1.0 million as compared to $0.1 million $0.4 million for the corresponding period in the prior year. The $0.7 million $0.6 million increase principally relates to the increase in volume of revenue for our EsoGuard Esophageal DNA Tests Test performed in our own CLIA laboratory for the period and the consideration received for the performance of the EsoGuard Esophageal DNA Tests. laboratory.

Cost of revenue

In the three months ended September 30, 2023 March 31, 2024, cost of revenue remained relatively level, at was approximately $1.6 million, $1.7 million as compared to $1.3 million for the corresponding period in the prior year. The factors contributing to cost of revenue remaining relatively level were as follows: $0.4 million increase was principally related to:

- approximately $0.3 million decrease $0.2 million increase in laboratory facility EsoCheck and operations EsoGuard supplies costs; and
- approximately $0.2 million increase in compensation related costs; and
- approximately $0.1 million increase in EsoCheck and EsoGuard supplies costs. costs, including stock-based compensation.

Sales and marketing expenses

In the three months ended September 30, 2023 March 31, 2024, sales and marketing costs were approximately $3.8 million $4.2 million as compared to $3.9 million $4.1 million for the corresponding period in the prior year. The net decrease increase of $0.1 million was principally related to:

- approximately $0.2 million decrease related to the amended MSA with PAVmed;
- approximately $0.4 million $0.1 million increase in compensation related costs including stock-based compensation; principally as a result of changes in headcount and
- approximately $0.3 million decrease in third party marketing, corporate information technology bonus structure and consulting travel expenses.

General and administrative expenses

In the three months ended September 30, 2023 March 31, 2024, general and administrative costs were approximately $4.3 million $4.1 million as compared to $5.7 million $6.9 million for the corresponding period in the prior year. The net decrease of $1.4 million $2.8 million was principally related to:

- approximately $2.3 million decrease in stock-based compensation from RSA and stock option grants to Lucid employees and non-employees;
- approximately $0.7 million $2.4 million decrease in stock-based compensation;
- approximately $0.9 million decrease in third-party professional fees and expenses related to legal services and consulting fees;
- approximately $0.3 million increase related to the amended MSA with PAVmed due to the growth and expansion of our business and the services incurred through PAVmed; and
- approximately $0.2 million increase related to in compensation related costs. costs principally as a result of an increase in headcount.

Research and development expenses

In the three months ended September 30, 2023 March 31, 2024, research and development costs were approximately $1.6 million $1.5 million, compared to $2.7 million $1.9 million for the corresponding period in the prior year. The net decrease of $1.1 million $0.4 million was principally related to:

- approximately $1.4 million $0.4 million decrease in development costs, particularly in clinical trial activities and outside professional and consulting fees with respect to EsoCure; and
- approximately $0.3 million increase in compensation related costs, including stock-based compensation. EsoCure.

Amortization of Acquired Intangible Assets

The amortization of acquired intangible assets remained relatively level, at was approximately $0.5 million, $0.4 million in the three months ended September 30, 2023 March 31, 2024, as compared to $0.5 million for the corresponding period in the prior year. The decrease of $0.1 million in the current period was due to certain acquired intangible assets being fully amortized in February 2024.

Other Income and Expense

Change in fair value of convertible debt

In the three months ended September 30, 2023 March 31, 2024, the change in the fair value of our convertible note was approximately $3.0 million $0.3 million of income, related to the March 2023 Note. The March 2023 Senior Convertible Note was initially measured at its issue-date estimated fair value and subsequently remeasured at estimated fair value as of each reporting period date. The Company initially recognized a $0.8 million fair value non-cash expense on the issue date.

See (as defined in Note 11 10, *Debt*, Debt, to our accompanying unaudited condensed consolidated financial statements, for additional information with respect to the statements). The March 2023 Note.

Results of Operations - continued

The nine months ended September 30, 2023 as compared to nine months ended September 30, 2022

Revenue

In the nine months ended September 30, 2023, revenue was $1.4 million as compared to $0.3 million for the corresponding period in the prior year. The $1.1 million increase principally relates to the revenue for our EsoGuard Esophageal DNA Test performed in our own CLIA laboratory, as compared to revenue from the EsoGuard Commercialization Agreement with RDx, recognized in first two months of the prior year period, which was terminated on February 25, 2022 when Lucid Diagnostics transitioned to its own laboratory operations.

Cost of revenue

In the nine months ended September 30, 2023, cost of revenue was approximately $4.5 million as compared to $2.0 million for the corresponding period in the prior year. The $2.5 million increase was principally related to:

- approximately $1.1 million increase in EsoCheck and EsoGuard supplies costs;
- approximately $0.7 million increase in laboratory facility and operations costs; and
- approximately $0.7 million increase in compensation related costs.

Sales and marketing expenses

In the nine months ended September 30, 2023, sales and marketing costs were approximately $12.0 million as compared to $11.1 million for the corresponding period in the prior year. The net increase of $0.9 million was principally related to:

- approximately $2.1 million increase in compensation related costs principally as a result of an increase in headcount, including stock-based compensation; and
- approximately $1.2 million decrease in third party marketing expenses.

General and administrative expenses

In the nine months ended September 30, 2023, general and administrative costs were approximately $15.0 million as compared to $18.5 million for the corresponding period in the prior year. The net decrease of $3.5 million was principally related to:

- approximately $5.5 million decrease in stock-based compensation;
- approximately $2.6 million increase related to the amended MSA with PAVmed due to the growth and expansion of our business and the services incurred through PAVmed; and
- approximately $0.6 million decrease related to outside professional services and facility related costs.

Research and development expenses

In the nine months ended September 30, 2023, research and development costs were approximately $5.3 million, compared to $8.8 million for the corresponding period in the prior year. The net decrease of $3.5 million was principally related to:

- approximately $4.8 million decrease in development costs, particularly in clinical trial activities and outside professional and consulting fees with respect to EsoCure;
- approximately $0.6 million increase related to the amended MSA with PAVmed due to the growth and expansion of our business and the services incurred through PAVmed; and
- approximately $0.7 million increase in compensation related costs, including stock-based compensation.

Amortization of Acquired Intangible Assets

The amortization of acquired intangible assets increased to $1.5 million in the nine months ended September 30, 2023, as compared to $1.1 million in the corresponding period in the prior year. The increase of $0.4 million in the current period was due to the timing of the acquired intangible assets in 2022.

Other Income and Expense

Change in fair value of convertible debt

In the nine months ended September 30, 2023, the change in the fair value of our convertible note was approximately $3.5 million of expense, related to the March 2023 Note. The March 2023 Senior Convertible Note was initially measured at its issue date estimated fair value and subsequently remeasured at estimated fair value as of each reporting period date. The Company initially recognized a $0.8 million fair value remeasurement as a non-cash expense on the issue date.

Loss on Issue and Offering Costs - Senior Secured Convertible Note

In the nine three months ended September 30, 2023 March 31, 2023, in connection with the issue of the March 2023 Senior Convertible Note, we recognized a total of approximately $1.2 million of lender fee and offering costs paid by us. The Company did not incur lender fees and offering costs in the three months ended March 31, 2024.

Loss on Debt Extinguishment

Results of Operations - continued

The nine In the three months ended September 30, 2023 March 31, 2024, a debt extinguishment loss in the aggregate of approximately $0.2 million was recognized in connection with our March 2023 Senior Convertible Note as compared to nine months ended September 30, 2022 - continued discussed below.

- In the three months ended March 31, 2024, approximately $0.1 million of principal repayments along with approximately $0.4 million of interest expense thereon, were settled through the issuance of 543,298 shares of common stock of the Company, with such shares having a fair value of approximately $0.7 million (with such fair value measured as the quoted closing price of the common stock of the Company on the respective conversion date). The conversions resulted in a debt extinguishment loss of $0.2 million in the three months ended March 31, 2024. The Company did not incur debt extinguishment loss in the three months ended March 31, 2023.

See Note 11 10, *Debt*Debt, , to our accompanying unaudited condensed consolidated financial statements, for additional information with respect to the March 2023 Senior Convertible Note.

Deemed Dividend on Series A and Series A-1 Convertible Preferred Stock Exchange Offer

The fair value of the consideration given in the form of the issue of 44,285 shares of Series B Convertible Preferred Stock, with such fair value recognized as the carrying value of such issued shares of Series B Convertible Preferred Stock, as compared to both the newly issued Series B Convertible Preferred Stock (fair value of $12.5 million) and the carrying value of the extinguished Series A and Series A-1 Convertible Preferred Stock (carrying value of $24.3 million), resulting in an excess of fair value of $7.5 million recognized as a deemed dividend charged to accumulated deficit in the unaudited condensed consolidated balance sheet on March 13, 2024, with such deemed dividend included as a component of net loss attributable to common stockholders, summarized as follows:

Series B Convertible Preferred Stock Issuance and Series A/A-1 Exchange Offer	March 13, 2024
Fair Value - 44,285 shares of Series B Preferred Stock issued	$ 44,285
Less: Fair value related to newly issued Series B Preferred Stock (of 12,495 shares)	(12,495)
Less: Carrying value related to Series A and Series A-1 Preferred Stock Exchanged for Series B Preferred Stock (of 24,295 shares)	(24,295)
Deemed Dividend Charged to Accumulated Deficit	$ 7,495

Liquidity and Capital Resources

Our current operational activities are principally focused on the commercialization of EsoGuard. We are pursuing commercialization across multiple sales channels, including: the communication to and education of medical practitioners and clinicians regarding EsoGuard; the establishment of Lucid Diagnostics Test Centers for the collection of cell samples using EsoCheck; the launch of the mobile testing unit; ongoing #CheckYourFoodTube testing days; and our direct contracting strategic initiative. Additionally, we are developing expanded clinical evidence to support insurance reimbursement adoption by government and private insurers. Further, as resources permit, the Company also intends to pursue development of other products and services, including EsoCure, an Esophageal Ablation Device. services.

Our ability to generate revenue depends upon our ability to successfully advance the commercialization of EsoGuard, including significantly expanding insurance reimbursement coverage, while also completing the clinical studies, product and service development, and necessary regulatory approval thereof. There are no assurances, however, we will be able to obtain an adequate level of financial resources required for the long-term commercialization and development of our products and services.

We are subject to all of the risks and uncertainties typically faced by medical device and diagnostic companies that devote substantially all of their efforts to the commercialization of their initial product and services and ongoing research and development activities and conducting clinical trials. We experienced a net loss of approximately $41.8 million $10.6 million and used approximately $22.8 million $12.6 million of cash in operations for during the nine months three month period ended September 30, 2023 March 31, 2024. Financing activities provided $24.5 million $18.5 million of cash during the nine months three month period ended September 30, 2023 March 31, 2024. We ended the quarter with cash on-hand of $24.1 million $24.8 million as of September 30, 2023 March 31, 2024. We expect to continue to experience recurring losses and negative cash flow from operations, and will continue to fund our operations with debt and and/or equity financing transactions, including current obligations on our existing convertible debt which in accordance with management's plans may include conversions to equity and refinancing our existing debt obligations to extend the maturity date. Notwithstanding, however, with our cash on-hand as The Company's ability to continue operations 12 months beyond the issuance of the date hereof financial statements will depend upon generating substantial revenue that is conditioned on obtaining positive third-party reimbursement coverage for its EsoGuard Esophageal DNA Test from both government and private health insurance providers, increasing revenue through contracting directly with self-insured employers, and on raising additional capital through various potential sources including equity and/or debt financings or refinancing existing debt obligations. These factors raise substantial doubt about the committed equity sources of financing, described below, and conversion and refinancing of existing convertible notes, the Company expects Company's ability to be able to fund its operations and meet its financial obligations continue as they become due for the a going concern within one year period from after the date of the issue of the Company's accompanying unaudited condensed consolidated financial statements as included herein in this Form 10-Q. are issued.

Series A

Liquidity and Capital Resources - continued

Preferred Stock Offering Offerings

On March 7, 2023 March 13, 2024, we sold entered into the Series B Subscription Agreements and Series B Exchange Agreements with the Series B Investors, which agreements provided for (i) the sale to the Series B Investors of 12,495 shares of our newly designated Series B Preferred Stock, at a purchase price of $1,000 per share, and (ii) the exchange by the Series B Investors of 13,625 shares of our Series A Preferred Stock solely and 10,670 shares of our Series A-1 Preferred Stock held by them for 31,790 shares of Series B Preferred Stock. Prior to accredited investors. the execution of the Series B Subscription Agreements and the Series B Exchange Agreements, we entered into subscription agreements with certain of the Series B Investors providing for the sale to such investors of 5,670 shares of Series A-1 Preferred Stock, at a purchase price of $1,000 per share, which shares the investors immediately agreed to exchange for shares of Series B Preferred Stock pursuant to the Series B Exchange Agreements (and are included in the 10,670 shares of Series A-1 Preferred Stock set forth above). Each share of the Series A B Preferred Stock has a stated value of $1,000 and a conversion price of $1.394. The Series A Preferred Stock is convertible into shares of our common stock at any time at the option of the holder from and after the six-month anniversary of its issuance (or, if later, the effective date of a registration statement covering the resale of the underlying shares), and automatically converts into shares of our common stock on the second anniversary of its issuance. $1.2444. The terms of the Series A B Preferred Stock also include a one times preference on liquidation and a right to receive dividends equal to 20% of the number of shares of our common stock into which such Series A B Preferred Stock is convertible, payable on each of the one-year and two-year anniversary of the issuance date. The holders of the Series B Preferred Stock also will be entitled to dividends equal, on an as-if-converted to shares of common stock basis, to and in the same form as dividends actually paid on shares of the common stock when, as, and if such dividends are paid on shares of the common stock. The Series B Preferred Stock is a voting security. The aggregate gross proceeds of these transactions were $18.16 million (inclusive of $5.67 million of aggregate gross proceeds from the sale of the Series A-1 Preferred Stock that was immediately exchanged for Series B Preferred Stock in the transactions).

As a result of 100% of the then-outstanding shares of Series A Preferred Stock is a non-voting security, other than with respect and Series A-1 Preferred Stock being exchanged for shares of Series B Preferred Stock in the Series B Offering and Exchange, no shares of Series A Preferred Stock or Series A-1 Preferred Stock remain outstanding.

Subsequent to limited matters related to changes in March 31, 2024, on May 6, 2024, the Company issued approximately 11,634 shares of newly designated Series B-1 Preferred Stock. The terms of the Series A B-1 Preferred Stock. Stock are substantially identical to the terms of the Series B Preferred Stock, except that the Series B-1 Preferred Stock has a conversion price of $0.7228. The aggregate gross proceeds from the sale of shares in such offering were $13.625 million $11.6 million.

Series A-1 Preferred Stock Offering

On October 17, 2023, we sold 5,000 shares of Series A-1 Preferred Stock, solely to accredited investors. The terms of the Series A-1 Preferred Stock are substantially identical to the terms of the Series A Preferred Stock, except that the Series A-1 Preferred Stock has a conversion price of $1.2592. The aggregate gross proceeds from the sale of shares in such offering were $5.0 million.

Private Placement - Securities Purchase Agreement

Effective as of March 13, 2023, we entered into the SPA with an accredited institutional investor, pursuant to which we agreed to sell, and the investor agreed to purchase the March 2023 Senior Convertible Note with a face value principal of $11.1 million. We issued the March 2023 Senior Convertible Note on March 21, 2023 pursuant to the SPA. The March 2023 Senior Convertible Note proceeds were $9.925 million after deducting a $1.186 million lender fee and offering costs.

The March 2023 Senior Convertible Note has a 7.875% annual stated interest rate, a contractual conversion price of $5.00 per share of the Company's common stock (subject to standard adjustments in the event of any stock split, stock dividend, stock combination, recapitalization or other similar transaction), and a contractual maturity date of the two-year anniversary of the date of issuance. The principal of the March 2023 Senior Convertible Note and accrued interest thereon is convertible at the option of the holder into the Company's common stock at the contractual conversion price. In addition, the principal of the March 2023 Senior Convertible Note amortizes over 18 months commencing six months after its issuance. The amortization payments and accrued interest on the March 2023 Senior Convertible Note are payable in shares of the Company's common stock (subject to the satisfaction of certain customary equity conditions and except for interest payable prior to September 21, 2023), at prices based on the then current market price.

Liquidity and Capital Resources - continued

Under the March 2023 Senior Convertible Note, the Company is subject to certain customary affirmative and negative covenants regarding the incurrence of indebtedness, the existence of liens, the repayment of indebtedness and the making of investments, the payment of cash in respect of dividends, distributions or redemptions, the transfer of assets, the maturity of other indebtedness, and transactions with affiliates, among other customary matters. Under the March 2023 Senior Convertible Note, the Company is also subject to financial covenants requiring that (i) the amount of the Company's available cash shall equal or exceed $5.0 million at all times, (ii) the ratio of (a) the outstanding principal amount of the notes issued under the SPA, accrued and unpaid interest thereon and accrued and unpaid late charges, as of the last day of any fiscal quarter commencing with September 30, 2023 to (b) the Company's average market capitalization over the prior ten trading days, shall not exceed 30%, and (iii) the Company's market capitalization shall at no time be less than $30 million (the "Financial Tests"). As of September 30, 2023 March 31, 2024, the Company was in compliance, and as of the date hereof, the Company is in compliance, with the Financial Tests.

In During the nine months three month period ended September 30, 2023 March 31, 2024, approximately $92 $0.1 million of principal repayments along with approximately $48 $0.4 million of interest expense thereon, were settled through the issuance of 115,388 543,298 shares of common stock of the Company, with such shares having a fair value of approximately $166 $0.7 million (with such fair value measured as the respective conversion date quoted closing price of the common stock of the Company). In the three months ended September 30, 2023, 115,388 shares of common stock of the Company were issued in satisfaction of a portion of this debt.

Liquidity and Capital Resources - continued

Committed Equity Facility and ATM Facility

In March 2022, we entered into a committed equity facility with a Cantor affiliate. Under the terms of the committed equity facility, the Cantor affiliate has committed to purchase up to $50 million of our common stock from time to time at our request. While there are distinct differences, the committed equity facility is structured similarly to a traditional at-the-market equity facility, insofar as it allows us to raise primary equity capital on a periodic basis at prices based on the existing market price. Cumulatively, a total of 680,263 shares of common stock of the Company were issued for net proceeds of approximately $1.8 million, after a 4% discount, as of September 30, 2023. No shares were sold through this facility during the three months ended September 30, 2023 March 31, 2024.

In November 2022, Lucid Diagnostics also entered into an "at-the-market offering" for up to $6.5 million of its common stock that may be offered and sold under a Controlled Equity Offering Agreement between Lucid Diagnostics and Cantor. In Cumulatively, a total of 230,068 shares of the nine months ended September 30, 2023, we sold 230,068 shares Company were issued through our at-the-market equity facility for net proceeds of approximately $0.3 million, after payment of 3% commissions. No shares were sold through our at-the-market equity facility during the three months ended September 30, 2023 commissions, as of March 31, 2024.

Due To: Intercompany Agreements with PAVmed Inc.

Since From our inception in May 2018 through our IPO in October 2021, our operations were funded by PAVmed providing working capital cash advances and by PAVmed paying certain operating expenses on our behalf. Additionally, our daily operations have been and continue to be conducted in part by personnel employed by PAVmed, for which we incur an MSA Fee expense. The MSA Fee is charged on a monthly basis and is subject-to periodic adjustment corresponding with changes in the services provided by PAVmed personnel to the Company, with any such change in the MSA Fee being subject to approval of the Company and PAVmed boards of directors. In this regard, in May 2023, January 2024, the respective companies' boards of directors approved a seventh an eighth amendment to the MSA to increase the MSA Fee to $750 $0.83 million per month, effective January 1, 2023 January 1, 2024. The eighth amendment to the MSA was executed on March 22, 2024. Pursuant to the MSA, as amended by the seventh eighth amendment, the parties agreed PAVmed may elect to receive payment of the monthly MSA Fee in cash or in shares of our common stock, with such shares valued at the volume weighted average price ("VWAP") during the final ten trading days of the applicable month (subject to a floor price of $0.70 per share). However, in no event will PAVmed be entitled to receive under the MSA, as amended, from and after the date of the eighth amendment to the MSA, more than 7,709,836 9,644,135 shares of our common stock (representing 19.99% of our outstanding shares of common stock as of immediately prior to the execution of the sixth eighth amendment).

In addition, on November 30, 2022, we entered into a payroll and benefit expense reimbursement agreement (the "PBERA")with PAVmed. Historically, PAVmed has paid for certain payroll and benefit-related expenses in respect of our personnel on our behalf, and we have reimbursed PAVmed for the same. Pursuant to the PBERA, PAVmed will continue to pay such expenses, and we will continue to reimburse PAVmed for the same. The PBERA provides that the expenses will be reimbursed on a quarterly basis or at such other frequency as the parties may determine, in cash or, subject to approval by PAVmed's and our boards of directors, in shares of our common stock, with such shares valued at the volume weighted average price of such stock during the final ten trading days preceding the later of the two dates on which such stock issuance is approved by PAVmed's and our boards of directors (subject to a floor price of $0.40 per share), or in a combination of cash and shares. However, in no event will we issue any shares of our common stock to PAVmed in satisfaction of all or any portion of the expenses if the issuance of such shares of our common stock would exceed the maximum number of shares of common stock that we may issue under the rules or regulations of Nasdaq, unless we obtain the approval of our stockholders as required by the applicable rules of the Nasdaq for issuances of shares of our common stock in excess of such amount.

As of September 30, 2023 March 31, 2024, we had a Due To: PAVmed Inc. payment obligation liability of approximately $10.3 million $1.9 million, which liability is primarily comprised of our obligations under the PBERA a payroll and benefit expense reimbursement agreement (the "PBERA") and the MSA, as well other operating expenses paid by PAVmed on our behalf. See our accompanying unaudited condensed consolidated financial statements Note 5, *Due To Related Party Transactions.* In accordance with the MSA and the PBERA, on January 26, 2024, PAVmed Inc. elected to receive payment of approximately $4.7 million of fees and reimbursements accrued under the MSA and the PBERA through the issuance of 3,331,771 shares of the Company's common stock.

Critical Accounting Policies and Significant Judgments and Estimates

The discussion and analysis of our financial condition and results of operations is based on our unaudited condensed consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). The preparation of these unaudited condensed consolidated financial statements requires us to make estimates and assumptions that affect the amounts reporting in our unaudited condensed consolidated financial statements and accompanying notes. On an ongoing basis, we evaluate our estimates and judgements. In accordance with U.S. GAAP, we base our estimates on historical experience and on various other factors that are believed to be appropriate under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. Our critical accounting policies are as disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 as filed with the SEC on March 14, 2023, except as otherwise noted in "Fair Value Option ("FVO") Election" subsection of Note 2, *Summary of Significant Accounting Policies*, March 25, 2024. There have been no material changes to our unaudited condensed consolidated financial statements included herein in this Form 10-Q with respect to the March 2023 Note. We determined upon the issuance of our March 2023 Note to elect the fair value option. At issuance, the carrying value of the March 2023 Note was recorded at estimated fair value. The estimated fair values reported utilized Lucid's common stock price along with certain Level 3 inputs, critical accounting policies and estimates in the development of Monte Carlo simulation models, discounted cash flow analyses, and /or Black-Scholes valuation models. The estimated fair values are subjective and are affected by changes in inputs to the valuation models and analyses, including the Company's common stock price, the Company's dividend yield, the risk-free rates based on U.S. Treasury security yields, and certain other Level-3 inputs including, assumptions regarding the estimated volatility in the value of the Company's common stock price. We remeasure the March 2023 Note to its estimated fair value at each reporting period using valuation techniques similar to those applied at issuance. The change in the fair value is recognized as other income (expense) in the statement of operations. A significant change in the volatility could have a material impact to the carrying value of the March 2023 Note as well as the amount of change recognized during the period. three months ended March 31, 2024.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and our principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2023 March 31, 2024. Based on such evaluation, our principal executive officer and principal financial officer concluded our disclosure controls and procedures (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) were effective as of such date to provide reasonable assurance the information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes to Internal Controls Over Financial Reporting

There has been no change in internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during our fiscal quarter ended September 30, 2023 March 31, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II - Other Information

Item 1. Legal Proceedings

In the ordinary course of our business, particularly as it begins commercialization of its products, the Company may be subject to certain other legal actions and claims, including product liability, consumer, commercial, tax and governmental matters, which may arise from time to time. The Company is not aware of any such pending legal or other proceedings that are reasonably likely to have a material impact on the Company. Notwithstanding, legal proceedings are subject to inherent uncertainties, and an unfavorable outcome could include monetary damages, and excessive verdicts can result from litigation, and as such, could result in a material adverse impact on the Company's business, financial position, results of operations, and /or cash flows. Additionally, although the Company has specific insurance for certain potential risks, the Company may in the future incur judgments or enter into settlements of claims which may have a material adverse impact on the Company's business, financial position, results of operations, and /or cash flows.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds. Proceeds

On March 22, 2024, the Company approved the issuance to an investor relations firm it had engaged a three-year option to acquire 100,000 shares of the Company's common stock, with an exercise price of $1.50 per share. The option vests in two equal installments on May 31, 2024 and August 31, 2024. The offer and sale of the option and the underlying shares of common stock is exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), pursuant to Section 4(a)(2) of the Securities Act, as a transaction not involving a public offering.

Except as set forth above and as previously disclosed in our current reports on Form 8-K filed prior to the date of this Form 10-Q and in the Annual Report, we did not sell any unregistered securities or repurchase any of our securities during the three months ended September 30, 2023 March 31, 2024.

On October 14, 2021, we completed our initial public offering ("IPO") See Part I, Item 2 under the caption "*Liquidity and Capital Resources*" for a description of our common stock under an effective registration statement limitations on Form S-1 (SEC File No. 333-259721). As the payment of September 30, 2023, of the net proceeds of $64.4 million, approximately $64.4 million has been used, in a manner consistent with the use of proceeds set forth in the prospectus for our IPO, as follows: approximately $7.5 million of net repayments of Due To: PAVmed Inc.; approximately $5.0 million for the purchase of our laboratory equipment, software, and its operating expenses; and $51.9 million of working capital expenditures. None of the proceeds have been paid to any of our directors, officers, 10% stockholders, or affiliates, other than as described above. dividends.

Item 5. Other Information

The information set forth During the fiscal quarter ended March 31, 2024, none of our directors or officers (as defined in Rule 16a-1 under the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as those terms are defined in Item 2 under "*Recent Developments—Business—Personnel Update*" is incorporated by reference in this Item 5.

408 of Regulation S-K).

Item 6. Exhibits

The exhibits filed as part of this Quarterly Report on Form 10-Q are set forth in the "*Exhibit Index*" below.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Lucid Diagnostics Inc.

November May 13, 2023 2024

By: */s/ Dennis M McGrath*

Dennis M McGrath
Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT INDEX

Exhibit No.	Description	Incorporation by Reference			Description	Incorporation by Reference		
		Form	Exhibit No.	Date		Form	Exhibit No.	Date
3.1	Form of Certificate of Designation of Preferences, Rights and Limitations of Series A-1 Preferred Stock.	8-K	3.1	10/18/2023	Form of Certificate of Designation of Preferences, Rights and Limitations of Series B Preferred Stock.	8-K	3.1	3/14/2024
3.2					Form of Certificate of Designation of Preferences, Rights and Limitations of Series B-1 Preferred Stock.	8-K	3.1	5/7/2024
10.1	Form of Registration Rights Agreement.	8-K	10.1	10/18/2023	Form of Exchange Agreement.	8-K	10.1	3/14/2024
10.2					Form of Registration Rights Agreement (Series B Preferred Stock).	8-K	10.2	3/14/2024
10.3					Form of Registration Rights Agreement (Series B-1 Preferred Stock).	8-K	10.1	5/7/2024
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	*			Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	*		
31.2	Certification of Principal Financial and Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	*			Certification of Principal Financial and Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	*		
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	*			Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	*		
32.2	Certification of Principal Financial and Accounting Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	*			Certification of Principal Financial and Accounting Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	*		
101.INS	Inline XBRL Instance Document	*			Inline XBRL Instance Document	*		
101.CAL	Inline XBRL Taxonomy Extension Schema	*			Inline XBRL Taxonomy Extension Schema	*		
101.DEF	Inline XBRL Taxonomy Extension Calculation Linkbase	*			Inline XBRL Taxonomy Extension Calculation Linkbase	*		
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase	*			Inline XBRL Taxonomy Extension Label Linkbase	*		
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase	*			Inline XBRL Taxonomy Extension Presentation Linkbase	*		
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)	*			Cover Page Interactive Data File (embedded within the Inline XBRL document)	*		

*** Filed herewith.**

Exhibit 31.1

CERTIFICATION BY PRINCIPAL EXECUTIVE OFFICER

I, Lishan Aklog, M.D., certify that:

1 I have reviewed this Quarterly Report on Form 10-Q of Lucid Diagnostics Inc. and Subsidiaries;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5 The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2023 May 13, 2024

By: */s/ Lishan Aklog, M.D.*
Lishan Aklog, M.D., Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION BY PRINCIPAL FINANCIAL OFFICER

I, Dennis M. McGrath, certify that:

1 I have reviewed this Quarterly Report on Form 10-Q of Lucid Diagnostics Inc. and Subsidiaries;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5 The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2023 May 13, 2024

By: */s/ Dennis M. McGrath*
Dennis M. McGrath
Chief Financial Officer

(Principal Financial and Accounting Officer)

Exhibit 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Lucid Diagnostics Inc. and Subsidiaries (the "Company") for the quarter ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Lishan Aklog, M.D., Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that to his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 13, 2023 May 13, 2024

By: */s/ Lishan Aklog, M.D.*
Lishan Aklog, M.D.
Chief Executive Officer

(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Lucid Diagnostics Inc. and Subsidiaries (the "Company") for the quarter ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Dennis M. McGrath, President and Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that to his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 13, 2023 May 13, 2024

By: */s/ Dennis M. McGrath*
Dennis M. McGrath
Chief Financial Officer

(Principal Financial and Accounting Officer)

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