CRAIN'S CLEVELAND BUSINESS

September 24, 2021 02:36 PM

Lucid Diagnostics, a medtech company with ties to Case Western Reserve University, plans to go public

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The esophageal cancer test-maker has filed for an initial public offering valued at up to $57.5 million. A CWRU team of Drs. Sanford Markowitz, Amitabh Chak and Joseph Willis developed the key technologies underlying Lucid Diagnostics' business: the EsoGuard Esophageal DNA Test and EsoCheck Esophageal Cell Collection Device.

Lucid Diagnostics Inc., an esophageal cancer test-maker that uses technology developed at Case Western Reserve University, has filed for an initial public offering valued at up to $57.5 million.

The number of shares to be offered and the price range for the offering have not yet been determined. Lucid Diagnostics, a majority-owned subsidiary of New York-based medical technology company PAVmed Inc. (Nasdaq: PAVM), said in a news release that it intends to list its common stock on the Nasdaq Stock Market under the ticker symbol "LUCD." (You can go here to read the IPO filing with the U.S. Securities and Exchange Commission.) Joint bookrunning managers for the offering are Cantor Fitzgerald and Canaccord Genuity, and BTIG and Needham are the co-lead managers.

PAVmed owns more than 72% of Lucid Diagnostics' common stock and will remain Lucid's controlling stockholder after the public offering, according to the S-1 filing. However, the filing did not state the exact percentage of the company's combined voting power that PAVmed will retain.

Lucid Diagnostics markets what PAVmed calls "the first and only commercial tools for widespread early detection of esophageal precancer and cancer" — the EsoGuard Esophageal DNA Test and EsoCheck Esophageal Cell Collection Device. They're used for the detection of gastroesophageal reflux disease, also known as chronic heartburn and acid

reflux, in patients at risk of developing esophageal pre-cancer and cancer, specifically esophageal adenocarcinoma.

A CWRU team of Drs. Sanford Markowitz, Amitabh Chak and Joseph Willis developed the technologies underlying EsoCheck and EsoGuard. In 2018, Lucid Diagnostics entered into a license with CWRU, which granted it an exclusive worldwide license to the intellectual property rights of the technologies.

Earlier this year, Crain's profiled the CWRU team as part of the 2021 Notables in Health Care section.

Markowitz, who leads the team, is Ingalls professor of cancer genetics and medicine at the School of Medicine and an oncologist at University Hospitals Seidman Cancer Center. Chak is a professor of medicine at the CWRU, a gastroenterologist and the Brenda and Marshall Brown Master Clinician in Innovation and Discovery at the University Hospitals Cleveland Medical Center's Digestive Health Institute. Willis is professor of pathology at the School of Medicine, a gastrointestinal pathologist and pathology vice-chair for Translational Research at University Hospitals' Diagnostic Institute.

Genomeweb reported that since 2018, Lucid Diagnostics "has moved the technologies underlying EsoGuard and EsoCheck from the academic research laboratory to commercial products within a scalable business model, Lucid said in its SEC registration." For the six months ended June 30, the company reported no sales revenue and a net loss of $9.8 million. At the end of June, it reported $2.2 million in cash.

In February of this year, PAVmed announced that Lucid Diagnostics would spin off into a separate public company "if favorable market conditions continue to hold, whether it be through an initial public offering (IPO) or a business combination with a health care special purpose acquisition corporation." It said a spinoff "is necessary for Lucid to fulfill its long-term potential, unlock its present value, and execute on a major new commercial initiative," and that PAVmed "will remain Lucid's largest shareholder following any spinoff transaction."

FierceBiotech reported that the IPO plans for Lucid Diagnostics "come not long after Lucid racked up another pair of regulatory clearances for its diagnostic testing system. In May, it received a CE mark for the EsoCheck cell collection device, a capsule-sized swab that's connected to a thin tube and, when swallowed by a patient, gathers samples from the entire length of the esophagus. That was followed by another European clearance just a few weeks later, this time for the EsoGuard diagnostic test that's used to analyze the DNA in cell samples collected by the EsoCheck device."

Altogether, FieceBiotech noted, "the system is designed to identify biomarkers linked to Barrett's esophagus, a condition that's often a precursor to esophageal cancer."

Inline Play
