



# iCAD Corporate Presentation

May 2022

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*Improving the detection, risk stratification and treatment of cancer with transformative technology*

*Saving lives and improving the quality of life for countless cancer patients*





- Leading Artificial Intelligence(AI)-based software solutions for breast cancer detection
- Enabling physicians to detect more cancers earlier when cancer is most treatable
- Transforming breast cancer screening from an age-based paradigm to a risk-adjusted screening paradigm, personalized and unique to each woman
- ≈\$1M Global TAM, less than 10% penetrated



- Unique, targeted, X-ray technology expands highly-focused treatment options for a range of cancers
- FDA cleared and CE marked to treat cancer anywhere in the body
- Very large addressable market opportunities:
  - Breast cancer:** ≈300K new cases per year in U.S.
  - Non-melanoma skin cancer:** >5M diagnosed in U.S. per year
  - Brain Cancer:** ≈200,000 new cases in U.S. per year with no effective treatment options



**ProFound AI®**

Revolutionary Clinical Artificial Intelligence Technology

- In 2021, breast cancer surpassed lung cancer as the most common women's cancer worldwide
- 2.2 million women will be diagnosed by 2025 with breast cancer
- 1 in 8 women develops breast cancer in her lifetime
- Rapidly growing, aggressive tumors can arise between a negative exam and the next routinely scheduled annual mammogram
- Despite national screening programs, **20-40% of breast cancers are missed**<sup>1-4</sup>



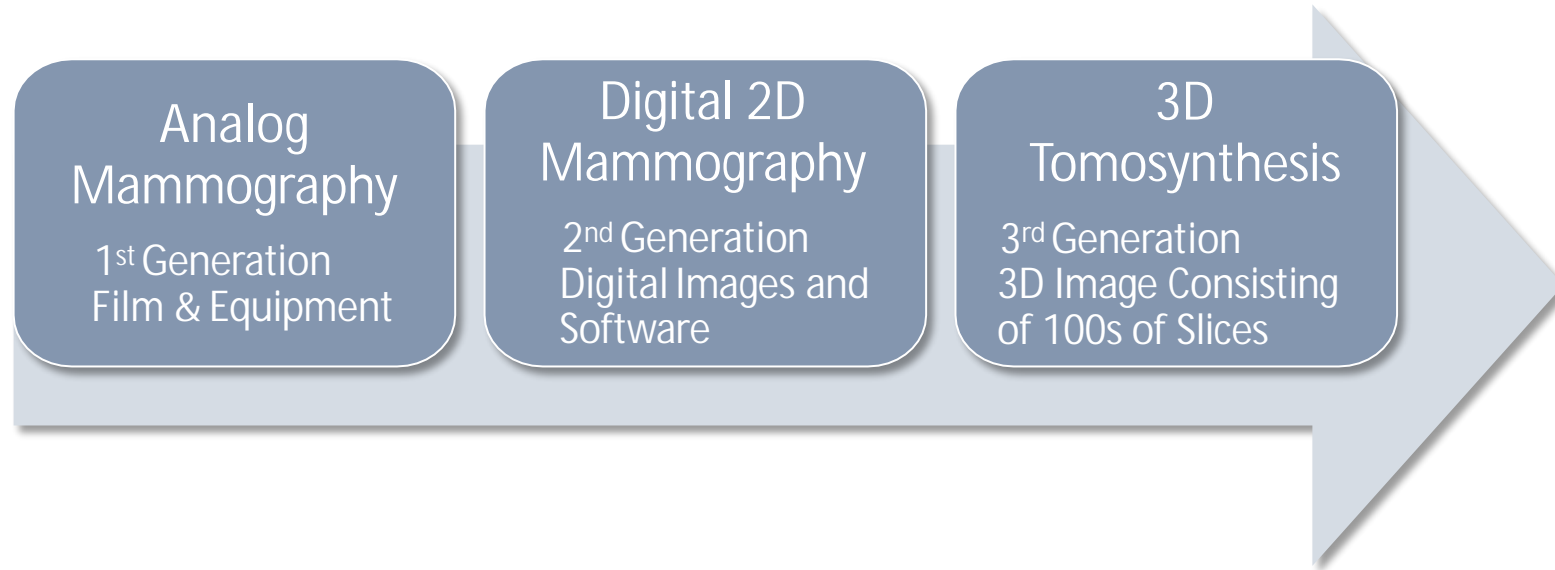
<sup>1</sup> Kalager M, Tamimi R, Bretthauer M et al. Prognosis in women with interval breast cancer: population based observational cohort study. *BMJ*. 2012;345: e7536. doi:10.1136/bmj.e7536.

<sup>2</sup> Marmot M, Altman G, Cameron A et al. The benefits and harms of breast cancer screening: an independent review. *Br J Cancer*. 2013; 108: 11, 2205-2240. doi: 10.1038/bjc.2013.177.

<sup>3</sup> Curry S, Krist A, Owens D. High-priority evidence gaps for clinical preventive services. U.S. Preventive Services Task Force. Published November 2018. Accessed May 11, 2021.

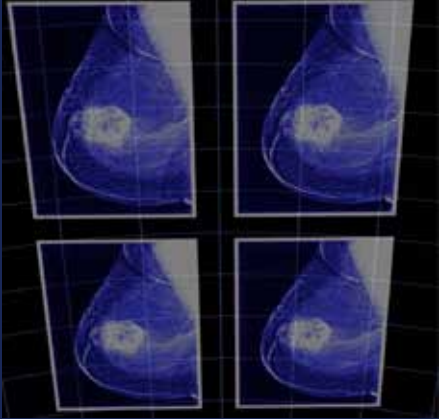
<sup>4</sup> Seely J and Alhassan, T. Screening for breast cancer in 2018—what should we be doing today? *Curr. Oncol*. 2018; 25: S115–S124. doi: [10.3747/co.25.3770](https://doi.org/10.3747/co.25.3770).

## Mammography Improvements Enabled By Computing Advancements



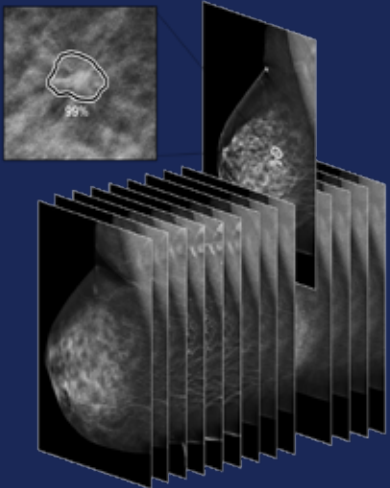
- Market is rapidly transitioning from 2D to 3D Mammography creating clinical and workflow challenges for radiologists
- Historical focus has been primarily on imaging technology/hardware to provide higher resolution images of finer segments of the breast

## 2D Mammography



Study Type	Screening Studies / Day	Images per Study	Total Images per Day	Images Per Week	In a 200 Day Year
2D	100	4	400	2,000	80,000
3D	100	280	28,000	140,000	5,600,000

## 3D Mammography



- 3D mammography increases the number of images per study by 70X versus 2D
- ≈40M mammograms read annually in the U.S. alone
- Radiologists struggling to keep up with the volume at a time where critical staffing shortages persist



Mammography Improvements Enabled By Computing Advancements

iCAD Artificial Intelligence Drives The Next Era

Analog  
Mammography

1<sup>st</sup> Generation  
Film & Equipment

Digital 2D  
Mammography

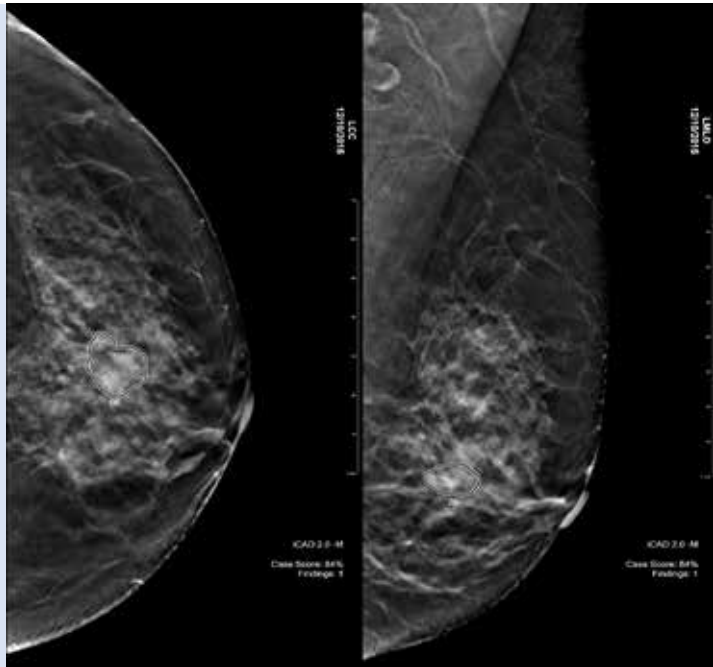
2<sup>nd</sup> Generation  
Digital Images and  
Software

3D  
Tomosynthesis

3<sup>rd</sup> Generation  
3D Image Consisting  
of 100s of Slices

3D  
Tomosynthesis  
+  
ProFound AI

- iCAD was 1<sup>st</sup> to market an AI solution for 3D mammography (2019) with ProFound AI and maintains superior clinical and workflow claims
- Exponential increase in images = need for assistance with focus/highlighting potential problems without radiologist deeply examining each image in depth (impact on radiologist – burnout, staffing, etc.)
- ProFound AI highlights potential cancers so radiologists can quickly focus attention on potential problem areas – cancers that may otherwise be missed without using ProFound AI



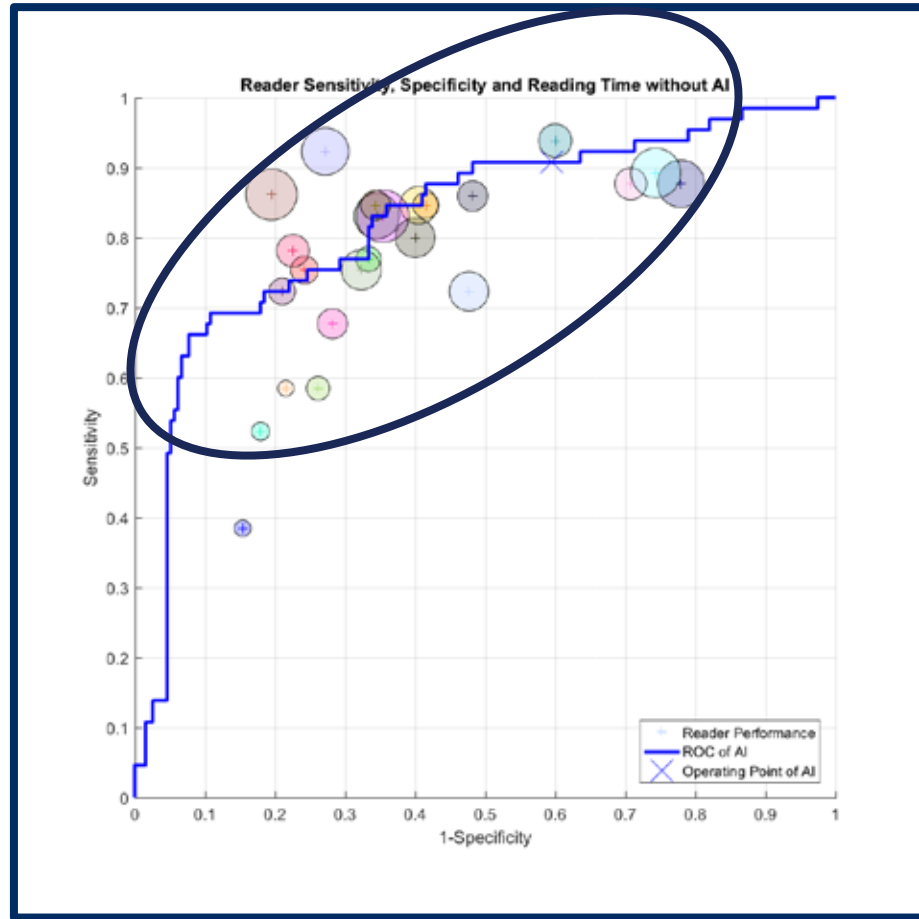
Without AI: 12/24 Readers detected cancer

With ProFound AI: 22/24 Readers detected cancer

Performance Measure	Results
Average Radiologist AUC	5.7% improvement
Radiologist Case-Level Sensitivity	8.0% improvement
Radiologist Lesion-Level Sensitivity	8.4% improvement
Radiologist Case-Level Specificity	6.9% improvement
Recall Rate in non-cancers	7.2% improvement
Reading Time	52.7% improvement

With  $\approx$ 40 million U.S. breast cancer studies per year, ProFound AI can help detect an additional 8% of cancers, or **3.2 million more** diagnoses at an earlier, more treatable stage.

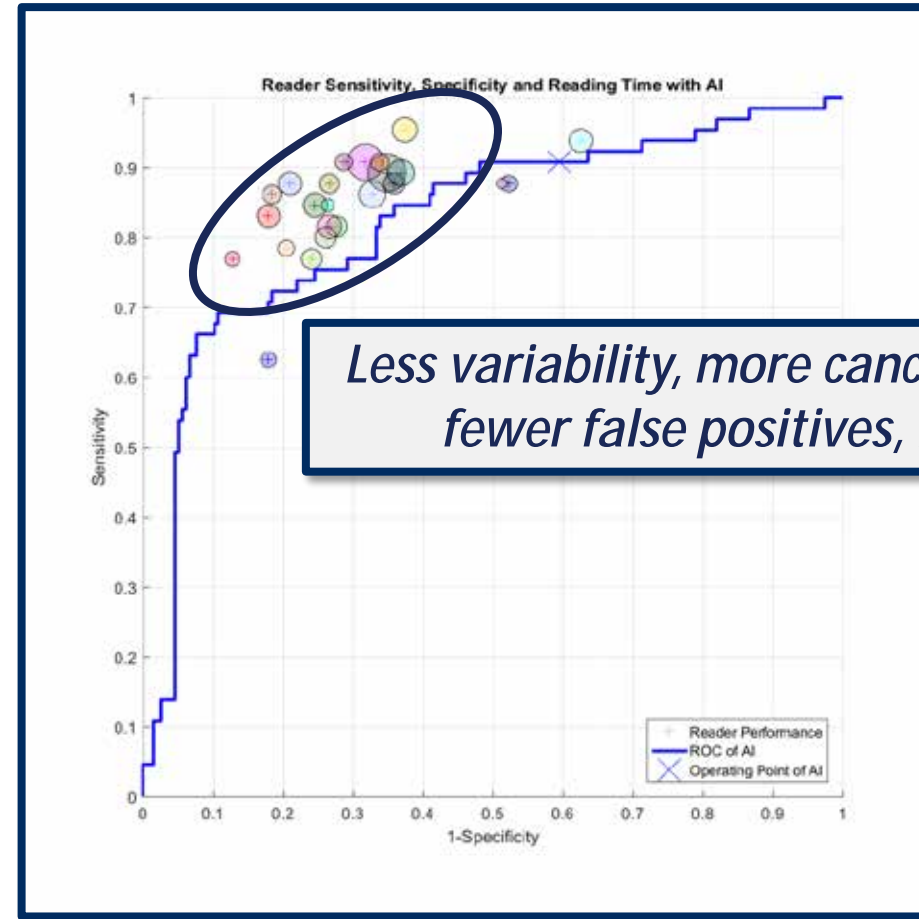
## Without AI



↑  
More cancers found

← Fewer false positives

## With ProFound AI



↑  
More cancers found

*Less variability, more cancers detected, fewer false positives, less time*

← Fewer false positives

Circles up and left = More sensitivity and fewer false positives  
Smaller circles = Less read time

\* Peer reviewed and FDA approved

U.S. Total Addressable  
Market Opportunity:  
3D Gantry Installed-Base  
**≈13,000\***

**ProFound AI U.S. TAM  
≈\$400 Million\*\***

Including ProFound AI  
Risk and Density, U.S.  
**TAM ≈\$1 Billion**

iCAD  
Today

ProFound AI  
Market Penetration  
**≈1500 Licenses  
or 12% Share**

\* <https://www.fda.gov/radiation-emitting-products/mqsa-insights/mqsa-national-statistics> 10,680 DBT units and 2,508 2D-only units. Data as of 2-1-22.

\*\*Assumptions: U.S. MQSA market estimates x \$30K ProFound AI ASP; Excludes Maintenance and Support Revenue

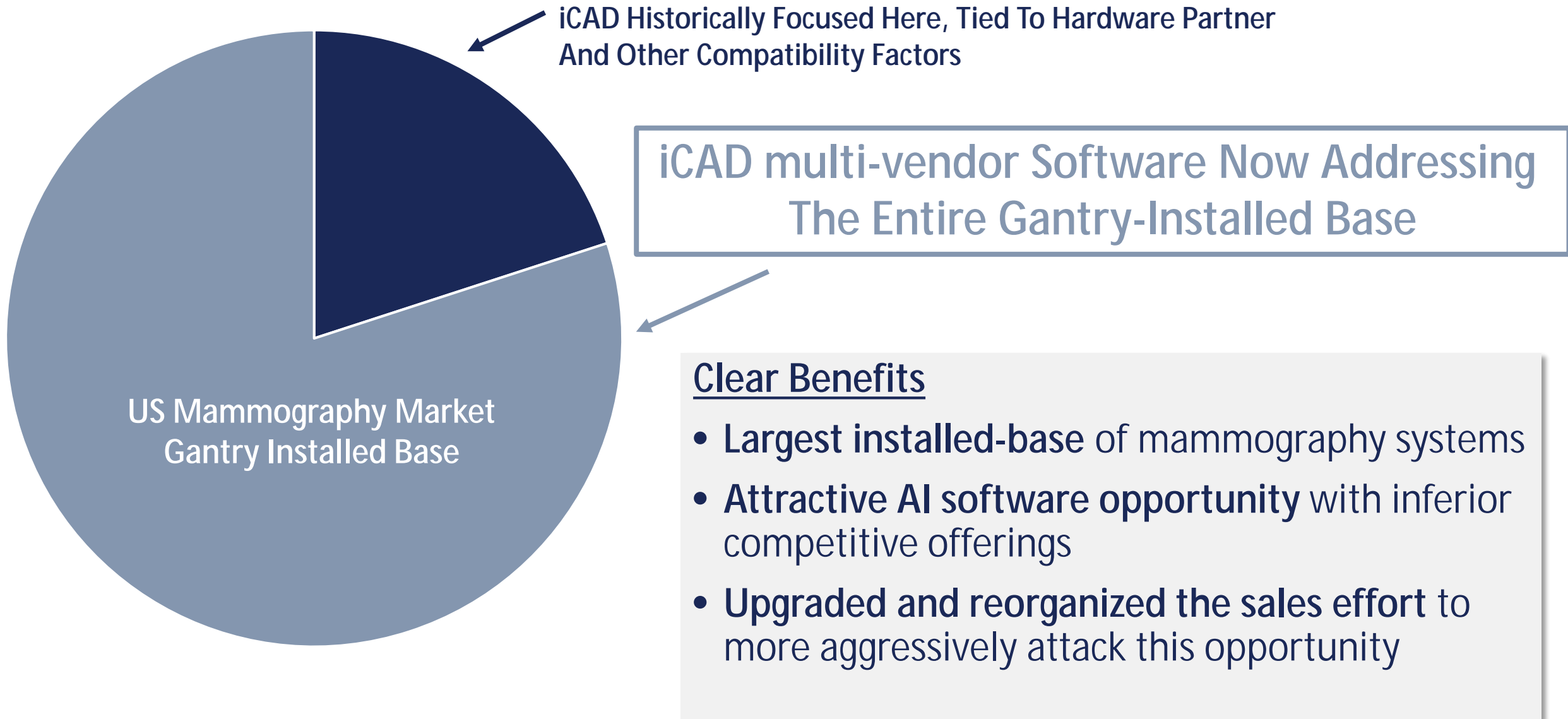
	<u>Historical Focus</u>	<u>Enterprise Focus</u>
Target Customer	Clinical Departments / Office	Systems / Networks
Gantry Base	Small / Medium	Large / Very large
AI Software License Opportunity	Single Digits / Low-Double Digits	Dozens / Hundreds
Sales Cycle	Relatively Short – Transactional	Longer Duration – Strategic
Revenue Opportunity	Limited By Customer Size	Significant Due To Customer Size
Customer Perception of iCAD	As A Vendor	As A Partner

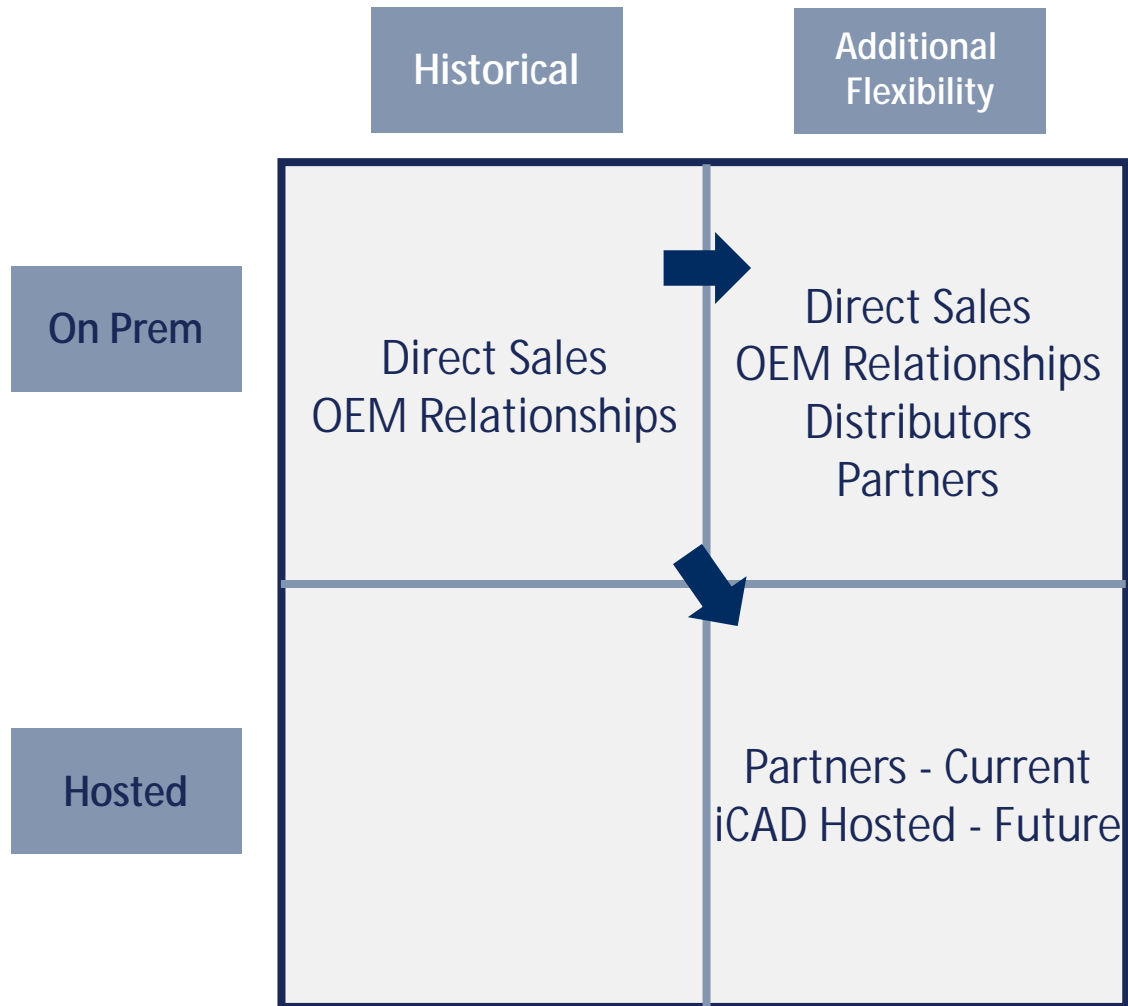
## Clear Benefits

Enterprise-wide purchases with clinical, IT, and business C-level decision makers

Highly focused sales and marketing spend leads to high operating leverage and pipeline visibility

**Strategic relationships are larger, longer lasting**





## Clear Benefits

### Offering customers **more flexibility**

- More channel options
- Hosted or using on-premise servers
- With or without hardware

### Additional payment options

- Currently a capital investment decision with a perpetual software license
- Evaluating operational expense offering via subscription models
- Studying customer factors and company operational/financial effects

# Evolution of Breast Cancer Detection – It's Getting Personal



Short-term risk assessment tools creating a personalized assessment  
Actionable results lead to **earlier diagnosis and better outcomes**

3D Tomosynthesis +  
*ProFound AI* +  
*ProFound AI Risk (Predictive Analytics)* +  
*PowerLook Density*

The Next Generation:  
3D Tomosynthesis +  
*ProFound AI*

Hardware-Driven

Software-Driven

3D Tomosynthesis  
3<sup>rd</sup> Gen: ≈100s of  
Digital Images / Study

Digital 2D Mammography  
2<sup>nd</sup> Gen: ≈4 Digital Images / Study

Analog Mammography  
1<sup>st</sup> Gen: Film

## Multi-vendor Software Value-Add:

- Mammography hardware independent
- Quicker and easier to update
- Significant IP protection
- Higher margin
- Can be cloud-enabled

*iCAD is the poster child for the "Sixth Wave of Innovation"*





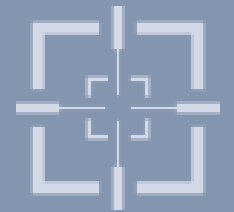
**ProFound AI Risk®**

Revolutionizing Personalized Breast Cancer Screening

- Current lifetime breast cancer risk **models vary in accuracy and can be complex and cumbersome**
- 85% of breast cancers occur in women who have no family history of breast cancer
- Physicians are **seeking a more accurate and standardized tool** to make risk-based screening decisions



- The **world's first clinical decision support tool** that can accurately assess a woman's short-term risk of developing breast cancer
- **Greater accuracy** compared to traditional risk assessment models
  - Recently published peer reviewed data shows algorithm is 2.4X more accurate
- **Transforms the entire screening paradigm** from a one-size fits all screening approach to a risk-adapted screening approach
- **Personalized and unique for each woman**, leading to more cancers found earlier and enormous cost savings to the health system



Superior  
Accuracy



Simplified  
Workflow



Personalized  
Care

## **ProFound AI Risk<sup>®</sup> (Further penetration and value capture)**

- First clinical decision support tool providing accurate short-term, breast cancer risk estimation
- Leading the shift from age-based screening to risk-adjusted, individualized precision screening

## **Europe and OUS (Selective expansion)**

- Predominantly focused on EU market using direct and distributor model
- Evaluating regulatory and commercial environments for global expansion
- Selectively targeting high volume markets with lower regulatory hurdles

## **Potential additional uses for iCAD AI (platform expansion)**

- More clinical and workflow improvement in Breast Cancer
- Other modalities (MRI/CT)
- Other cancers



# Electronic Brachytherapy (eBx<sup>®</sup>)

Innovative Radiation Therapy Platform



Proprietary,  
miniaturized  
X-ray source

Balloon applicators  
(breast)



Surface applicators  
(skin)



GYN applicators



Highly-mobile  
controller

- **Targeted, X-ray technology** expands highly-focused treatment options for a range of cancers
- **Excellent outcomes** compared to more costly, more invasive, more time-consuming alternative treatments
- Reduction in number, frequency and duration of visits **increases patient compliance**
- **FDA cleared, CE marked** and licensed in a growing number of countries for treatment anywhere in the body
- Current target applications include **breast, non-melanoma skin cancer, GYN, rectal and neuro/brain**

## Non-melanoma skin cancer (NMSC) is widespread

Basal cell / squamous cell NMSC are most prevalent with >5 million diagnosed in US each year

### Non-melanoma skin cancer treatment limitations

- Normally requires surgery and results in scarring (75% facial/scalp)
- Some procedures such as Mohs surgery can take hours



### eBx<sup>®</sup> offers patients/physicians a better alternative

- Targeted and localized treatment delivered in minutes
- Non-invasive, painless and non-scarring
- Excellent clinical and cosmetic results

## Reimbursement environment has improved and become more widely available

- Reimbursement per lesion now in an attractive range
- Regulatory changes eliminate requirement for on-site radiation oncologist

## Different model than historical Xoft model for Dermatology

### Historical

#### Xoft

- Controller manufacture
- X-ray source manufacture
- Sales and marketing
- Installation and service
- Training
- Radiation technician
- Support

Without flexibility and scale, difficult economics and widespread coverage footprint needed for fragmented market



### Today

#### Xoft

- Controller manufacture
- X-ray source manufacture

Transfer Pricing – better focus and economics for Xoft

#### Partners

- Sales and marketing
- Installation and service
- Training
- Radiation technician
- Support



## Additional indications for eBx<sup>®</sup> treatment

Breast: ≈300,000 diagnoses in U.S./year

- Positive clinical results / FDA cleared
- Ongoing education of payers

Neuro / Brain: ≈200,000 diagnoses in U.S./year

- Promising successful early results
- Enrolling additional studies worldwide
- Significant need for novel therapies like eBx<sup>®</sup>

GYN, Rectal, Prostate

**Potential to add more partners to address current and new indications**

***A focused growth strategy and operational plan to deliver significant increased shareholder value by:***

1. Driving revenue growth from existing portfolio
2. Leveraging an expanded and reorganized sales effort
3. Attacking the entire addressable mammography installed base
4. Offering customers expanded choice in procurement models
5. Entering adjacent markets and expanding globally over time
6. Maintaining attractive margin profile with a path to profitability and cash generation in 2023

***We have the technology, team and balance sheet to achieve our goals***



Thank You