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LungLife AI, Inc.
(the "Company" or "LungLife")

**Admission to trading on AIM
& First Day of Dealings**

LONDON, UK. AND THOUSAND OAKS, CALIFORNIA, US (8 July 2021). LungLife AI (AIM: LLAI), a developer of clinical diagnostic solutions for lung cancer enhanced by artificial intelligence, announces that admission to trading on AIM ("Admission") will take place and dealings will commence at 8.00 a.m. today under the ticker LLAI and ISIN USU5500L1045.

Summary and Highlights:

- Successful Fundraising for gross proceeds of £17 million
- Issue price of 176 pence per share
- Market capitalisation of approximately £45 million on Admission
- 25,480,790 Common Shares in issue on admission, free float of approximately 50.6 per cent.
- Investec acted as Sole Bookrunner in relation to the Fundraising and is acting as the Company's Nominated Adviser and Corporate Broker from Admission

About LungLife

LungLife is a developer of clinical diagnostic solutions for lung cancer enhanced by artificial intelligence. The Company's diagnostic solutions are designed to make a significant impact in the early detection of lung cancer.

The Company's technology is a combination of the recovery of rare cells and blood-based biomarkers shown to be altered in lung cancer. The Company employs machine learning to improve biomarker detection, and intends to build a deep, novel pool of lung cancer-related data for AI-enabled applications designed to improve its diagnostic solutions over time.

The Company's core technologies are integrated in the LungLB[®] test, which is intended to be used as a tool to provide physicians with additional information to help in the decision-making process for people with indeterminate lung nodules that may be lung cancer following a CT scan. There are estimated to be over 1.5 million individuals with indeterminate lung nodules diagnosed each year in the United States. The LungLB[®] test may have additional utilities, the most significant of which is likely to be in monitoring individuals for recurrence following surgical removal of cancerous lung nodules.

The Company has completed a 149 subject pilot study to evaluate the LungLB[®] test, which showed a well-balanced performance and a Positive Predictive Value of 89 per cent. The Company is now gearing up to proceed to a larger, multi-centre validation study to garner regulatory and reimbursement support and facilitate commercialisation.

To support development of the LungLB[®] technology, the Company has entered into various agreements with the Icahn School of Medicine at Mount Sinai (“**Mount Sinai**”), which is an international leader in medical and scientific training and biomedical research and is part of the Mount Sinai Health System. Mount Sinai is committed to building a world-renowned lung cancer programme with expertise in screening, early detection and biomarker research and has recently established its Center of Excellence for Thoracic Oncology programme.

Use of proceeds and reasons for Admission

The Directors and Proposed Directors believe that raising money in a public market context provides a signal of quality to prospective partners and customers, raises the profile of the business and its diagnostic tests and provides a supportive platform from which to grow the business further through its clinical development and commercialisation plans, as well as supporting in-licensing of additional technologies or selective acquisitions as may be appropriate in the future.

The Directors and Proposed Directors anticipate that the net proceeds of the Fundraising will be sufficient to:

- complete the validation study and commence the utility study of the LungLB[®] test for indeterminate lung nodules, each of which are required in the context of seeking FDA authorisation and gathering support for reimbursement;
- commence the post-surgical monitoring validation study for the LungLB[®] test;
- obtain a code and commence pricing and coverage for Medicare reimbursement for the LungLB[®] test;
- further develop the Company’s AI algorithms;
- fund the cash payments due under the Mount Sinai Licence Agreement and Mount Sinai SRA;
- cover general corporate overheads, including marketing and business development, other planned capital expenditure and for general working capital purposes; and
- pay Admission and Fundraising related fees and expenses.

Paul Pagano, Chief Executive Officer of LungLife, said: *“We are delighted with the strong support shown by new institutional investors for our fundraise and we are very proud to complete our admission to AIM, which is a key milestone in the advancement of our AI-enabled LungLB[®] test for early lung cancer detection.*

“Lung cancer accounts for nearly a quarter of all cancer-related deaths in the US because in many cases it’s diagnosed too late. Early detection is key and we believe our simple blood test enhanced by artificial intelligence will give physicians the additional information needed to identify this disease earlier and reduce its impact.

“Our focus now is to proceed to a larger multi-centre pivotal validation study and secure regulatory authorisation and reimbursement support. We look forward to updating investors as we hit these milestones.”

For further information please contact:

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Background to the Company

Business overview

A significantly underserved medical need

The Directors and Proposed Directors believe that the early detection of lung cancer is a significantly unmet medical need. According to the World Health Organisation, over 2.2 million new cases of lung cancer were diagnosed in 2020 and approximately 1.8 million deaths from lung cancer were recorded in 2020 globally. Nearly 80 per cent. of all lung cancers in the United States are diagnosed in later stages when survival rates are low because the options for curative treatment are then limited. This is in part due to the lack of effective early detection solutions and the fact that lung cancer largely develops asymptotically.

A computed tomography (“CT”) scan is the standard method for the early detection of lung cancer and multiple studies including The National Lung Screening Trial in the US showed a significant reduction in lung cancer-specific mortality with CT screening as these cancers were found at an earlier stage when they are more treatable. While the CT scan is highly sensitive (meaning that it is successful in detecting an indeterminate lung nodule), it suffers from low specificity (meaning that many of those indeterminate nodules will be benign or not harmful) and, accordingly, a high rate of false positives (where an indeterminate lung nodule is not lung cancer).

The methods available to physicians to diagnose cancer from an indeterminate nodule are inadequate and potentially result in harm to the patient and significant costs to the healthcare system. The Directors and Proposed Directors believe that the LungLB[®] test will provide significant benefit when added to the clinical care pathway by reducing the number of unnecessary invasive procedures and reducing delays in treatment that may otherwise afford cure.

LungLB[®] test

The Company expects to launch LungLB[®] in 2023. LungLB[®] is an AI-enhanced, blood-based test that uses circulating tumour cells (“CTC”) to stratify cancerous and benign lung nodules identified by CT scan, which is intended to support the physician’s decision to biopsy or to monitor non-invasively using additional imaging. The Company intends that the LungLB[®] test will undergo a multi-centre clinical validation study to support a submission for FDA authorisation, as well as a clinical utility study programme to measure the LungLB[®] test’s short and long-term impacts on patient health and healthcare costs.

While the price has not yet been determined for the LungLB[®] test, the Directors and Proposed Directors believe that it will be less than one tenth of the cost of a lung biopsy (the average cost of which is \$14,587) and that is before taking into account the additional cost of care of dealing with any adverse event from a biopsy (the average cost of which is \$37,745).

AI, machine learning

The Company is in the process of developing the LungLB[®] test to utilise machine learning in order to more accurately identify and count CTCs with the aim of reducing operator hands-on time and increasing test performance. Achieving optimal machine learning performance requires access to large and specific sets of data inputs. The Directors and the Proposed Directors believe that the quality and quantity of cells derived from the Company’s pilot study will provide the necessary breadth of sufficiently detailed data to allow its machine learning algorithms to be developed, validated and improved in a timely and cost-effective manner.

The Company intends to deploy machine learning and deep learning and is working with Persistent Systems Limited (“**Persistent Systems**”) to develop secure, cloud-based data integration software architecture, and secure, high-performance algorithms for its diagnostic tests.

Collaboration with Mount Sinai

The Company has entered into various agreements with Mount Sinai, which is an international leader in medical and scientific training and biomedical research and is part of the Mount Sinai Health System, a large integrated healthcare provider in the US. The Mount Sinai Health System has approximately 6,600 associated physicians, eight hospitals, more than 300 community locations throughout the New York metropolitan area and receives approximately 4 million out-patient visits per year. Mount Sinai is committed to building a world-renowned lung cancer programme with

expertise in screening, early detection and biomarker research and has recently established its Center of Excellence for Thoracic Oncology programme.

Further details of the agreements entered into between the Company and Mount Sinai are set out in the Admission Document.

Mount Sinai will hold 9.7 per cent. of the share capital of the Company on Admission.

History of the Company

The Company was incorporated on 30 December 2009 as Cynvenio Biosystems, Inc. and founded on technology licensed from the University of California, Santa Barbara.

From 2010 to 2014 the Company deployed the technology for CTC enrichment and detection for cancer diagnostics with input and funding from pharmaceutical companies and built the LiquidBiopsy® platform. The Company also built a CLIA-certified diagnostics laboratory and offered testing services to physicians with its first products focused on breast and prostate cancers using next generation DNA sequencing.

In 2015 and 2016, the Company evaluated technology from MD Anderson Cancer Center for the early detection of lung cancer, and on 29 June 2017 the Company signed an exclusive licence agreement for the technology, which is the basis of the LungLB® test. Since 2019, the Company made the strategic decision to focus on LungLB® test development and since then completed a 149 subject pilot study with subjects with indeterminate lung nodules, reduced reagent and labour costs, and filed multiple patent applications with a view to protecting additional aspects of the LungLB® test.

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The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.

Certain figures in this announcement, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this announcement may not conform exactly with the total figure given. This announcement contains statements that are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including, without limitation, the terms "anticipate", "believes", "could", "would", "envisage", "estimate", "expect", "aim", "intend", "may", "plan", "project", "target", "should", "will" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding the intentions, beliefs and current expectations of the Company, the Directors or the Proposed Directors concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth, objectives and strategies of the Company and the industry in which the Company operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The actual results, performance or achievements of the Company or developments in the industry in which the Company operates may differ materially from the future results, performance or achievements or industry developments expressed or implied by the forward-looking statements contained in this announcement. The forward-looking statements contained in this announcement speak only as at the date of this announcement. The Company expressly disclaims any undertaking or obligation to update or revise publicly the forward-looking statements contained in this announcement to reflect any change in expectations or to reflect events or circumstances occurring or arising after the date of this announcement, except as required in order to comply with its legal and regulatory obligations (including under the AIM Rules for Companies).