27 February 2023

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

Nodule evaluation using LungLB® projected to be cost-effective in US healthcare system

Data strongly support payor coverage of indeterminate lung nodule evaluation using LungLB® in peer-reviewed publication in the Journal of Medical Economics

LungLife AI (AIM: LLAI), a developer of clinical diagnostic solutions for lung cancer, announces a draft publication of a cost-effectiveness analysis ("CEA") model on LungLB® which provides evidence that the test can be utilised as a cost-effective alternative compared to the current diagnostic pathway. Once the final publication as a Version of Record is issued a further announcement will be made.

The principal aim of the research was to explore the incremental cost-effectiveness of LungLB® when added to the current clinical diagnostic pathway for patients with lung nodules, as described in guidelines[1]. The greater cost savings in the model were demonstrated by a reduction in unnecessary procedures and better patient outcomes from reduced delays in treatment.

Incremental Cost-Effectiveness Ratio (ICER) is a key metric used in the publication to demonstrate cost effectiveness. Integration of LungLB® leads to improvement in outcomes and results in an ICER that was 25% below the willingness to pay (WTP) threshold commonly considered by US commercial payors, suggesting overall savings when LungLB® is priced at $2,300 per test. ICERs remain below WTP thresholds at prices up to $3,647 per test.

[1]Evaluation of individuals with pulmonary nodules: when is it lung cancer? Diagnosis and Management of lung cancer, 3rd ed: American College of Chest Physicians evidence-based clinical practice guidelines.

Commenting, Paul Pagano, Chief Executive Officer of LungLife, said: *"This health economics publication advances our progress towards supporting payor coverage of LungLB®, and is in-line with the pricing of $2,030 recently assigned to the test by the Centers for Medicare and Medicaid Services."*

CEA examines the costs associated with health outcomes when a new intervention is compared to a standard care pathway. Both public and private payors often use CEA to determine how much it would cost to implement the new intervention. The model was developed in collaboration with a third-party, Avalon Health Economics.

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About LungLife
LungLife AI is a developer of clinical diagnostic solutions designed to make a significant impact in the early detection of lung cancer, the deadliest cancer globally. Using a minimally invasive blood draw, the Company's LungLB® test is designed to deliver additional information to clinicians who are evaluating indeterminate lung nodules. For more information visit www.lunglifeai.com

Our Purpose is to be a driving force in the early detection to lung cancer. And our Vision is to invert the 20:80 ratio such that in years to come at least 80% of lung cancer is detected early.