

Annual Results to 31 December 2023



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LungLifeAl is a diagnostics company focused on the early detection of lung cancer from a simple blood draw enhanced by Artificial Intelligence.



Our purpose is simple. To be a driving force in the early detection of lung cancer.

Paul Pagano, PhD CEO & CSO

> Amgen CytomX



David Anderson CFO

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Audit Partner BDO, Crowe FD Strategic Minerals Plc (AIM) FD Hakkasan and C|T Group



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Audited Financial Results for year ended 31 December 2023

- Cash at end of year **\$2.83m** (2022 \$8.01m)
 - Cash outflow from operations **\$5.0m** (2022 \$5.8m)
 - Implying monthly burn of c. **\$420k** (2022 c. \$490k)
- Adjusted EBITDA (excluding share-based payments) **\$5.19m** (2022 \$6.84m)
 - Slight increase in wage cost from \$2.69m to **\$2.74m** due to full year impact of starters in 2022.
 - Offset by reduction in research and development cost from \$1.98m to **\$1.30m** as we finished enrolment of the trial and no further development of the AI algorithm.
 - And reduction in other cost categories.
- Balance sheet
 - Mount Sinai license continue to be carried at cost \$5.8m without amortization as yet to access the underlying data asset

- Net proceeds from issue of 5,172,621 shares net \$1.8m
 - Cash runway to April 2025
 - With opening cash of \$2.83m, gives an implied monthly burn of c. **\$290k**
- Cost reductions
 - Headcount reduced and salary reductions reduces monthly cost in half

Urgent Unmet Need for Early Detection

High Prevalence



Someone is diagnosed with lung cancer every 2.5 mins in the US



Accounts for >20% of all cancer deaths in US (est. 130k deaths in 2023¹)

Poor Early Detection



Surgery can cure – but only 20% of US cases diagnosed early enough for this



>1.5m lung nodules identified p.a. in US

Lack of Screening



c. 14.2m Americans eligible for free screening (2020: 6.8m)²



Only 5.8% of those eligible are screened each year

Nodules found incidentally by CT scan still account for majority of early diagnosis

¹SEER Program, National Cancer Institute (<u>https://seer.cancer.gov/statfacts/html/all.html</u>) ²American Lung Association (<u>https://www.lung.org/media/press-releases/state-of-lung-cancer-2022</u>)

Primary Clinical Pathway



*Average time to diagnosis incorporates both "wait-and-see" and biopsy pathways

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The market for early detection of lung cancer in the US estimated to exceed \$2 billion



Entry point: nodules <15 mm make up ~70% TAM



Source: Gould *et al* (2015), 13-15 mm range estimated by LLAI LungLB® National Medicare price of \$2,030/test 1.5M nodules * 70% * \$2,030/test = ~\$2B

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Why We Believe our LungLB[®] test is the Answer







- » LungLB[®] positioned to be an aid in the evaluation of lung nodules
- » Begins with a blood draw, finishes with easy to interpret report
- Analyte is CGAC, rare cells in blood that correlate with lung cancer¹
- » CGAC identified using FISH, which is a familiar and comprehensible technology



ndication:	PIOOXX MM/DD/YYYY Female Indeterminate F	Pulmonary Nodule	LungLife ID: Specimen Type: Collected: Received: Reported:	LBXX00X Whole Blood MM/DD/YYYY MM/DD/YYYY MM/DD/YYYY	Organization: Ordering Physician: NPI#:	MD Anderson John Doe, MD X0000XX0000X	
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- >> LungLB[®] performed significantly in participants with small (<15 mm) nodules, a known pain-point for physicians
- » Rigorous study: 87% in "intermediate" risk group. Previous studies lack sufficient numbers of intermediate-risk nodules
- » Left over blood cells and plasma preserved for future LungLB® development

PERFORMANCE

- 81% Positive Predictive Value (PPV)
- 72% AUC Vs. 62% Mayo Model
- 81% PPV Vs. 67% PET Scan

When a physician sends someone with a lung nodule to biopsy because they suspect cancer...



Adverse events from unneeded biopsy

Sent to biopsy with cancer

Sent to biopsy without cancer



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••• Commercialisation

Ve have regulatory support to begin commercialisation











LungLB[®] qualified as a Laboratory Developed Test, LDT





Voluntary but important

v Reimbursement foundation in place









Rofidian Healthcare Solutions MoIDX*



Coverage – Assessment under MolDx – supported by health economics, validation and clinical utility studies

Commercial success is predicated on...



Commercial Proof of Concept

- **Methodical** approach
- Prove and build adoption curve
- Adoption is about data and trust
- ✓ Test business/sales model in limited scope, low-cost setting
- Collect utility data and build **KOLs** \checkmark
- ✓ Secure payor reimbursement through appeals process



Early Access Program – up to 20 patients per site from 5-10 sites, up to 100 patients. Physicians will be surveyed.

- Comprised of familiar sites that participated in validation study
- Refine "technical" aspects of test ahead of launch (ordering process, client services, results reporting)
- Understand clinical utility: effect on nodule evaluation and patient care

EAP on utility – understand adoption curve and provides additional evidence considered by payors for reimbursement



Foundational LCD Pathway

Headline:

MolDX: Molecular Biomarkers for Risk Stratification of Indeterminate Pulmonary Nodules Following Bronchoscopy

DL39678

Expand All | Collapse All

PROPOSED LCD

Proposed LCDs are works in progress that are available on the Medicare Coverage Database site for public review. Proposed LCDs are not necessarily a reflection of the current policies or practices of the contractor.

- Foundational LCD proposed by MolDx to cover tests for lung nodules
- We believe LungLB[®] would be eligible for coverage under this LCD, if finalized.
- MolDx has well defined technical assessment process
- Coverage under foundational LCD 8-12 months.



Achievements and 2024/2025 Milestones

Notional timeline



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Commercial launch: internal resource						
1 Sales H/C per 10 centers Increase number of tests per month:	Sales and Distribution Strategic collaborator options	n Mature Sales				
 Clinical Trust Reimbursement Initial patient case studies for utility presented Case studies (multi center) 	Unique use fits with other portfolios De-risked proposition for revenue growth "hungry" companies	Leverage wider distribution Leverage publications and usage Additional uses of the product				



- LungLB uses peripheral blood cells isolated from ~2 mL whole blood and does not use plasma.
- Remaining blood cells and unused plasma are cryopreserved for future studies.
- >600 patient specimens stored representing early-stage lung cancer and benign indeterminate nodules.
- Patient demographic and clinical information collected with >400 matched CT scan images.
- Ongoing collection through EDRN partnership provides estimated +500 samples from lung nodule patients.

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- Fully-paid data access license to de-identified patient records from Mount Sinai Hospital.
- Includes CT and PET scan images related to lung cancer and those at-risk for lung cancer.

••• In conclusion.....

Deliberate steps to build a foothold in a \$2 billion market

LungLifeAl



LungLifeAl

aims to be a driving force in the early detection of lung cancer.

Our Vision is to invert the 20:80 ratio such that at least 80% of lung cancers are diagnosed early.



Appendices

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- Medicare is the largest US public health insurance payor.
- Medicare is administered by multiple MACs (Medicare Administrative Contractors) whose jurisdiction is based on geographical region.
- LungLife is under a jurisdiction that uses the MoIDx program, which has a well-defined process for applying for coverage called Technical Assessment.
- A clinical dossier that contains analytic validity, clinical validity, and clinical utility is compiled and submitted to MolDx.
- Your test is deemed "Not Covered" until the technical assessment is complete.
- Coverage is given if Medicare approves your clinical dossier (called a Local Coverage Determination).
- A foundational LCD has been proposed by MolDx for indetermiante lung nodules. An alternative path, should the proposal be finalized, is LungLB gains coverage under the Foundational LCD rather than a LungLB-specific LCD.

The successful commercialization of our LungLB test will be achieved by a methodical, deliberate approach.

To date we have built some of the foundations. This next phase is to drive adoption of the test which starts with clinicians finding the test useful

- We have 2 sources of revenue by payor:
 - Commercial payors
 - Expectation of ramp up in volume as utilization will generate greater utilization
 - Coverage will be very low in early period
 - Reimbursement is a function of utilization, as utilization increases, reimbursement should follow
 - Medicare
 - Limited reimbursement until Local Coverage Determination in place
 - Once in place, reimbursement backdated to acceptance of complete Technical Assessment
 - Based on our validation study, 68% of participants are of Medicare age.





Not all FISH images are easily interpreted



Our AI algorithm co-developed with Persistent Systems provides:

- Enhanced sensitivity: A 4-point improvement in the cancer detection rate
- Enhanced specificity: >60% reduction in miscategorised CGAC vs standard FISH microscope software
- Improved objectivity and reproducibility: Algorithm defines "true" probe signal parameters









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