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

**Operational and Funding Update
and
Proposed Cancellation from AIM**

LungLife AI (AIM: LLAI), a developer of clinical diagnostic solutions for lung cancer, provides the following update.

As set out in the Operational Update on 19 November 2024, the Company had been actively engaged in discussions with several potential strategic partners. These discussions were aimed at identifying a partner that not only shares the Company's long-term vision but also offers the resources and expertise to help unlock the full commercial potential and accelerate the adoption of LungLB®.

Discussions had started with multiple parties in 2024, however, in January 2025 one particular party became the key focus of these engagements. Initial conversations regarding the entry into a letter of intent resulted in draft documentation being exchanged. The terms presented in the letter of intent anticipated an upfront fee, along with ongoing royalty payments and, longer term, an option to buy the relevant IP to operate the LungLB test. This party continues to perform diligence, but it is the Board's opinion that they are unlikely to submit a binding proposal in the near term, if at all.

As of 31 December 2024, the Company had a cash balance of £1.31m. The Company has continued to maintain a disciplined approach to costs and maintains a cash runway which is expected to extend into Q2 2025. The Company undertook premarketing work before Christmas and in recent weeks and based on the feedback received, the Board does not consider a further fundraising on the public markets is viable.

The Company proposes to seek to reengage with parties regarding the securing of a strategic partner for LungLife. However, in light of the cash runway available to the Company and the lack of interest in a fundraising, it has now become clear to the Board that the most appropriate course of action is for the Board to seek approval from the shareholders of the Company to cancel the admission of the Company's ordinary shares to trading on AIM in accordance with Rule 41 of the AIM Rules for Companies.

A circular convening a general meeting of the Company to approve the proposed cancellation and providing further detail on the next steps will be published in due course and a further announcement will be made at that time.

The Board proposes to continue to consider potential sources of funding options for the Company but, should none be identified, nor any strategic agreement reached, the Board anticipates the orderly winding up of the business in due course.

Roy Davis, Chairman of LungLife AI, said

"On behalf of the Board, I would like to express our thanks to Paul and the team as well as our shareholders for their support since IPO and our subsequent funding in March of last year. We successfully took the technology from clinical validation to our first commercial sales. I am proud of the LungLB test that we have created, and we will continue efforts to realize its value for patients within the constraints of our cash position and obligations."

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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.

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